



October 30, 2014

The Honorable John Hickenlooper
136 State Capitol
Denver, CO 80203-1792

Dear Governor Hickenlooper,

Please accept the strategies highlighted in this letter, and the attached set of guiding principles, as formal comment on the formation of the Colorado Water Plan on behalf of Colorado's business community.

Water touches every aspect of Colorado's economy; from tourism and recreation to agriculture and manufacturing. Effective water resource management and stable water supplies are critical for our state's long-term success.

In partnership with the Denver Metro Chamber, the Metro Denver EDC, the Colorado Competitive Council, Accelerate Colorado, and Environmental Entrepreneurs, we urge your office and the Colorado Water Conservation Board to emphasize two key values in drafting the Colorado Water Plan: public education and statewide collaboration. The complexity of our water challenges require broad understanding and cooperation as pillars for any statewide undertaking. The plan should be flexible enough to accommodate for the economic, demographic, and geographic diversity of Colorado communities.

We further urge the prioritization of five key strategies while finalizing the Colorado Water Plan. We believe it will take all these strategies in concert to effectively address water supply in Colorado.

- 1) **Recycling and Reuse** – Existing transbasin water diversions to Colorado's Front Range present an important component in our water system. Transbasin water is protected from leaving the state as part of any multistate compact or agreement. In effect, transbasin water may be recycled into extinction. In order to maximize existing transbasin diversions, new water recycling and reuse investments should be encouraged and incentivized, diminishing the need for further transbasin diversions.
- 2) **Storage** – Whether storing water underground, expanding existing reservoirs, building dry-storage, or developing new projects; more water must be saved in wet years to be managed efficiently in dry years.

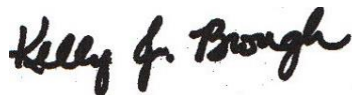
- 3) **Conservation** – incentivizing water appliance efficiency, incentives for more efficient landscaping, or promoting legal reform that enables more efficient housing plans to take maximum advantage of density for water conservation, these and other tools must be implemented.
- 4) **Alternatives to Buy and Dry** – Water rights in Colorado are akin to property rights. They can be bought and sold. When an agriculture water transfer occurs, the water rights are sold and that water permanently leaves agricultural use to serve populated urban areas. The drying up of producing agriculture land can have significant economic impacts in rural communities while straining our state’s food production resources. Alternative methods must be explored, such as long-term, flexible water leasing, rotational crop fallowing, rotational crop planting strategies, and improved irrigation management. These and other market mechanisms should be studied and implemented.
- 5) **Permitting** – Improving the efficiency of water project permitting is critical. Serious delays have become commonplace. For example, even efforts to expand existing reservoirs now entail years of permitting review. Most recently, the plan to expand Chatfield Reservoir was approved after 15 years of evaluation. Understanding why these delays occur is an important first step in crafting policies to streamline the permitting process.

As another step, consider establishing a multijurisdictional, parallel review process that requires permitting agencies to communicate with one another, as well as share their data. Additionally, multipurpose projects with environmental, recreational, power generation, industrial, agricultural, and municipal benefits should be explored, as such projects would broaden stakeholder cooperation. Lastly, it would be useful to improve the awareness of specific requirements for environmental review from the outset.

Whether these or other suggestions are prioritized, the business community stands ready to assist. We are eager to convene additional conversations or forums for the purpose of bringing interested parties together for the formation of the Colorado Water Plan.

Thank you for your consideration and ongoing commitment to Colorado. We appreciate your leadership in developing the Colorado Water Plan on behalf of our state.

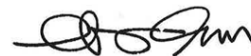
Sincerely,



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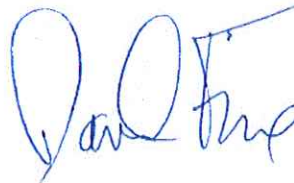
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Toti Cadavid
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A handwritten signature in black ink, appearing to read "Dustin Smith". The signature is fluid and cursive, with the first name "Dustin" and last name "Smith" clearly distinguishable.

Dustin Smith
Executive Director
SolarTAC

James Mulligan
Attorney at Law

Jason Brinkley
Attorney at Law



Colorado Business Community Water Policy Principles

Water is of critical importance to Colorado businesses and our state's economy. Colorado business leaders respect and appreciate the work that has been undertaken by the Governor, the Colorado Water Conservation Board and the Basin Roundtables to form a Colorado Water Plan. Therefore, the Colorado business community will engage with the state's policy makers as a long-term plan for Colorado's water policy is developed.

A Colorado Water Plan should recognize:

- **Colorado requires efficient and reliable water to support its growth;** our state's demographic trends make certain that water will remain a critical long-term economic issue in Colorado, and we know that the success of our economy and our quality of life depend upon ensuring the sufficient availability of water;
- **We recognize the doctrine of prior appropriation and do not prioritize one industry's or one region's use of water over another's;** each type of water use has its place in Colorado's diverse economy;
- **Any future water projects should carefully balance the needs of Colorado's economy;** future water projects must benefit all aspects of water use in Colorado including business and industrial, agricultural, recreational, environmental, residential, etc.;
- **We support a balanced approach to water policy that includes conservation, efficiency and reuse strategies as well as increased storage capacity;** Colorado's water requirements necessitate an all-of-the-above approach;
- **The state regulatory processes must be efficient, cost effective and transparent;** state water policy must ensure the availability of cost-effective solutions for water providers, especially since this can directly impact the cost of doing business in our state and inhibit sustainable economic development;
- **We are committed to being a part of the solution;** the business community will actively participate in finding solutions that encourage more efficient and effective use of the water we have, develop necessary new and more efficient water infrastructure, and address the need to deal with variable weather patterns.