

Frequently Asked Questions Concerning the Colorado-Big Thompson Project Water Tracking Rule and Related Accounting Procedures (updated July 25, 2018)

When did the C-BT Project Water Tracking Rule and related Accounting Procedures become effective?

The Rule and Accounting Procedures became effective on July 12, 2018.

Why did Northern Water pursue the Rule?

The C-BT Project was built with the understanding, memorialized in a contract with the United States, that project beneficiaries would have one use of the C-BT Project water, and any flows returning to the river after that one use would be for the benefit of downstream water users within Northern Water boundaries. Demands on Northeastern Colorado's water resources are increasing dramatically. Water suppliers responsible for meeting the demands created by population growth throughout the South Platte River Basin, and particularly in the Denver metropolitan area, are acquiring existing water rights within the boundaries of Northern Water to export for use outside the boundaries. Without proper recordkeeping and accounting, there is a risk that C-BT Project water could be exported outside Northern Water boundaries and not be available for use in the lower reaches of the South Platte River.

What do the Rule and related Accounting Procedures cover?

They apply to all C-BT Project water, including quota allocations, carryover, regional pool, and replacement water. They provide certain accounting requirements for use of C-BT Project water, but do not change the terms of any allotment contracts and do not restrict the types of uses for C-BT Project water.

What process did the Northern Water Board follow to adopt the Rule?

The Board followed a public rule-making process to adopt the Rule. The process included publishing notice of a draft Rule in newspapers and holding a hearing to take written and verbal public comments on the draft Rule and related Accounting Procedures prior to the Board enacting a final Rule. In addition to publication of notice, we informed all Allottees and Account Entities of the rule-making by postcard.

Had there been other communication about these changes?

We previously mailed a letter to all Account Entities informing them of changes to the C-BT Project water ordering process and about the upcoming Rule. We also met with large agricultural and domestic/municipal Account Entities over the last several months to learn about their use of C-BT Project water and inform them of changes to the ordering process and about the upcoming Rule.

Does the Rule affect Windy Gap Project water or other Non-CBT Project water?

No, the Rule only concerns accounting for the use of C-BT Project water. Unlike C-BT Project water, Windy Gap Project water may be reused and successively used by the entities who own Windy Gap units.

What do the Rule and related Accounting Procedures require of agricultural users?

They require agricultural users, as well as municipalities and domestic suppliers, to maintain and submit accounting for the storage and subsequent use of untreated C-BT Project water if that water is stored for longer than 72 hours in a reservoir with a decreed storage right. The 72 hour provision is consistent with State requirements and allows a user to temporarily detain water in order to put it to beneficial use.

What do the Rule and related Accounting Procedures require for the storage of C-BT Project water?

They require that, beginning August 1, 2018, all entities that store C-BT Project water provide to Northern Water accounting each month for the storage and subsequent use of that water. Submittal of the accounting for storage and subsequent use of C-BT Project water in a calendar month is due at the end of the following month. In other words, accounting reports for water stored and/or used in August will be due at the end of September.

What does the accounting for storage entail?

The Rule and related Accounting Procedures require entities to keep daily accounting of C-BT Project water stored, estimated losses due to evaporation and seepage from storage, and beneficial use of releases from storage. To ensure C-BT Project water return flows are protected, the Rule specifically requires that C-BT Project water be used beneficially and prohibits the accounting practice of “booking-over” or otherwise changing stored C-BT Project water to another source or character of water. Further, the Accounting Procedures prohibit an entity from assuming a disproportionately high percentage of evaporation or seepage of C-BT Project water.

What happens if an entity does not have measuring devices to accurately determine evaporation and seepage from a reservoir?

Northern Water will allow users to estimate these values provided the estimates do not assume a disproportionately high percentage of evaporation or seepage of C-BT Project water.

What do the Rule and related Accounting Procedures require of municipalities and domestic suppliers?

In addition to accounting for storage of untreated C-BT Project water, the Rule and Accounting Procedures require municipalities and domestic suppliers that treat and supply C-BT Project

water for municipal/industrial uses to begin collecting daily information to be submitted monthly concerning the amount of treated C-BT Project water provided to customers. In addition, when available, municipalities and domestic suppliers are also required to provide information concerning the return flows from the use of C-BT Project water, particularly from wastewater treatment plants.

When would the Accounting Procedures require municipalities and domestic suppliers to begin to submit this accounting?

Under the Accounting Procedures, Northern Water will give municipalities and domestic suppliers at least 90 days' notice of when to begin submitting its accounting. Northern Water will generally prioritize review of accounting by volume of delivery of C-BT Project water. Other than required storage accounting discussed previously, we anticipate requiring the first accounting to be submitted no sooner than November 30, 2018.

Why the additional focus on treated municipal/industrial water?

Most of the C-BT Project water return flows result from municipal/industrial uses, particularly from wastewater treatment plant outflows. In addition, these wastewater treatment plant outflows are more easily accounted for than return flows from other uses.

Is a municipality or domestic supplier limited on how it accounts for usage of C-BT Project Water?

Generally, we would expect a municipality or domestic supplier to serve the same proportion of treated C-BT Project water as Non-C-BT Project water to all its customers on a given day if such water is commingled. The Accounting Procedures provide specific situations where they are not required to serve the same proportion of C-BT Project water as Non-C-BT Project water.

Does an entity have to submit accounting if that accounting has already been submitted to the Colorado Division of Water Resources?

Northern Water will use the information submitted to the Colorado Division of Water Resources, and not require an additional submittal, if it provides the necessary information on the use and return flows of C-BT Project water.

Where do I obtain additional information?

The Rule and related Accounting Procedures are posted at www.northernwater.org/allotteeinfo. Please contact Jim Hall at jhall@northernwater.org or (970) 622-2208) with questions about the Rule or Accounting Procedures.