COLORADO WATER STORAGE PROJECTS OVERVIEW

Mr. Chairman, Ladies and Gentlemen: The show is now under way.
And what a cast of characters! This may be no circus, but I have already
seen a herd of elephants and a herd of donkeys. I have already observed
many of my aquatic friends from both the sunrise and sunset sides of the
Continental Divide. The Republicans weren't squirting water at the
Democrats, and the Democrats weren't kicking the peanuts out of the
Republicans. The western and eastern slopes weren't trying to split
every raindrop on the Continental Divide on 60-40 or 30-70 basis either.

What goes on in Colorado water circles today? Are we finally once
again beginning to work together on a unified State-wide basis for the
mutual benefit of all areas of Colorado vitally interested in a progressive,
sane, realistic water resources conservation and development program? I
believe that we are. I believe that this meeting today is evidence of the
fact that no longer need we be apologetically wringing our hands and saying
in desperation, "We recognize our enemy, and he is us!"

This is the second state-wide meeting of a similar nature in Colorado,
the other being held last September 29 here in Denver. The Colorado Water
Congress, Water For Colorado and Club 20 are to be commended for pulling
together the water entities and many of the industrial and professional
organizations interested in water and related land resources. This meeting
today is strategically timed; and knowing many of the sponsors, I would bet
that its timing was no accident. Somebody reminded somebody of November,
1980.

That infamous water project "Hit List" of 1977 was conceived in
misguided, abysmal, vindictive ignorance, gestated in goober oil, and
born a catastrophe. We are not going to forget it—especially when confronted
by the ballot box in November. That memory has been one of the catalysts
that is unifying the water people, not only in Colorado, but in the West,
and even Nation-wide. Maybe we needed that foul blow to the posterior
to stimulate recognition of our enemies, formulate our real objective of
developing water resources to enhance the human environment and provide that
sound American standard of economic growth for future generations.
One of the fathers of this great nation, a philosopher, politician, financial wizard, ambassador, inventor, author, progressive developer, and guardian of natural resources, Benjamin Franklin, has been credited with many noteworthy quotations. You all know about, "A penny saved is a penny earned". But did you know that Benjamin Franklin was also well-versed in the value of the conservation of water? Over 200 years ago he said, "You never know the worth of water until the well is dry". Coloradans are way ahead of Ben Franklin. We know we are facing a water crisis. We know the worth of water, and we are not going to let Colorado's well go dry.

The theme of today's conference may be called an "Overview of Colorado Water Storage Projects." This overview is well-conceived because its foundation rests upon the No. 1 resolution of the historic 1979 meeting of water and industry. "BE IT RESOLVED: That it is the primary purpose of this 1979 Colorado Water Convention to insure that the limited remaining water resources of the State of Colorado be developed under law for beneficial use in this state, with special emphasis upon maximizing reservoir storage." That resolution is fundamentally sound. Today it should be re-adopted. Had I been writing it, I would change the last phrase to read "with special emphasis upon the conservation of water through reservoir storage." Why? Because the White House brainless trust, the Water Resources Council, and the Department of the Interior hierarchy have proved time and again their inability to realize that the storage of water in reservoirs is the conservation of water for subsequent use when it is needed--instead of allowing it to go to waste when it is available.

Inability on the part of these Federal entities to grasp this fundamental concept--or perhaps I should say intentional refusal to recognize that in Colorado and the West conservation of water by reservoir storage is necessary for survival, is the principal reason for our difficulties today in getting proper recognition for water storage projects. Inept incompetence at the Federal level has led to the adoption of a policy of delaying,
hamstringing, and outright preventing of the development of water resource projects that involve irrigated agriculture. This obstructionism was effectively accomplished by the publication in the Federal Register by the Water Resources Council of its "Principles and Standards and Procedures for Planning Water and Related Land Resources." They were published as proposed rules on April 14. They will soon be published in final form.

I happen to know how these principles and standards can kill an already authorized-for-construction reclamation project. After intensive study, I had to tell the sponsors of a project which I critically examined that under the criteria imposed on WAPRS for evaluation of their project it was impossible to find a modified project that the Federal government would construct. The fact that these criteria were not in effect at the time Congress said, "Build the Project", makes no difference to the present administration. I might add that the defining of a project that could be constructed after the revised Principles and Standards go into effect in a couple of months will be even more difficult. Imagine trying to find in a Colorado reclamation project such things as what the administration calls "intensification benefits" based on the growing of cotton, rice, or soy beans. These are three of the ten crops listed. Of course, there are the so-called "efficiency benefits" from specialty crops that are also used for project evaluations. Under these benefits, Colorado would have it made! Oh, boy! All we have to do is raise bananas on Pikes Peak--as we were accused by a certain California congressman of intending to do when we were fighting so hard to persuade Congress to enact the Colorado River Storage Project and participating projects legislation in 1953-56.

The point is that under the administration's new Principles and Standards it is going to be virtually impossible for a Colorado Reclamation project with a preponderance of irrigated agriculture to have a benefit-cost ratio exceeding 1:1. In fact, referring back to that project that I had the opportunity to study in detail, the more irrigated agriculture we
theoretically added to the project the worse became the b/c ratio. Why? Because the crops that could be raised in the area were not capable of a high enough benefit evaluation to offset the increased costs. That project could only produce good sound Colorado agricultural commodities. We need some changes in national policy.

Speaking of benefit-cost ratios, here we sit in the midst of a national energy crisis. Every time we try to develop energy, another Federal regulation is thrown up as a road block. You know what most of them are. Let me emphasize one. There are many opportunities in Colorado to develop small hydroelectric generating stations, some with small amounts of water but high heads in connection with water collection systems for existing and proposed irrigation projects. Can this hydro-generation be accomplished? It could be, if we could get those in government to realize that we are in need of electric energy and that in evaluating the benefits of the b/c ratio is only one tool, and only one item that should be evaluated so far as human social welfare is concerned. When we need energy so badly, why don't we adopt the policy of doing something instead of permitting the b/c ratio to be the ultimate obstacle that says in frustrating terms, "You don't do it"? How about producing energy under a cost-effectiveness policy, if we, in fact, need it? If you really need a house to keep your family warm, you do not let your family freeze to death while you spend a year or two trying to figure a favorable b/c ratio. You get to work and build the best house you can for the least money. You suddenly become cost-effective conscious instead of baloney/crazy-for b/c ratio. We need another change in policy at the national level.

While I am still touching lightly upon the subject of small hydro-power development, allow me to mention another item. There is now a law called PURPA, P.L. 95-617, the Public Utility Regulatory Policies Act of 1978. Title IV of PURPA specifically relates to small hydroelectric projects. It is designed to establish a program of financial assistance for the development of small hydroelectric power projects "in connection with existing dams which are not being used to generate electric power."
Under this Act, the Department of Energy can make loans, generally up to $50,000 to finance not to exceed 90% of the cost of either the feasibility study or a licensing application. Federal agencies are excluded as applicants for these loans. The loans must be repaid in 10 years; but the unpaid loan balance and any accrued interest may be cancelled, if it is determined that the proposed project is not feasible or cannot be licensed. In order to study the many small hydropower generating possibilities in Colorado where there are no existing dams, we should be seriously considering a request to the Congress to amend the Public Utility Regulatory Policies Act. Another change in policy is needed.

Under present administration policies it is practically impossible to construct a federal reservoir for conservation of water for irrigation alone. On the other hand, a reservoir could stand tests for economic justification—the baloney-crazy ratio—if there were enough other purposes; such as, supplying water for domestic, municipal industrial consumption involved in it.

Both the Congress and the Carter Administration are belatedly starting to make noises as if they intended for energy development in Colorado to become something more than a dream. If so, water is going to be needed, and reservoirs are going to be necessary to conserve spring run-off for year around use. A weak link in the water-energy picture seems to be the element of timing. No one associated with energy development—especially from oil shale—appears to say anything about wanting water at a specific time—except to say that it will be needed in the future. No one wants to be pinned down to 1985, 1990, 1995, or any other date. And I don't blame the energy companies. What else can they say with a Tower of Babel energy non-policy facing them? Therefore, why not initiate construction of conservation reservoirs for water now for irrigation, municipal, domestic, industrial, fish and wildlife, and recreational purposes with additional space for future energy development? In a national...
crisis such as the one relating to energy, the Federal government could defer the repayment of those costs allocated to energy development until the water is actually needed. There are precedents for such procedures.

The Boy Scouts have a motto, "BE PREPARED". In the interest of national defense alone, with its insatiable appetite for energy, that motto is excellent. Again--perhaps we can influence and secure a change of policy at the national level, if we go about the political process in an effective manner.

This story is a parody on one told by a good friend a couple of years ago at Jackson, Mississippi. It seems to fit our situation in Colorado.

In a spirit of cooperation, the Bureau of Reclamation met with the Water Resources Council to negotiate a memorandum of understanding. Both federal agencies analyze major environmental programs, and both want to eliminate inefficiencies caused by duplication of effort. Considering the fact that neither agency wants to relinquish any of its authority whatsoever, a surprising amount of progress was made. The details are still to be worked out, but major agreement was reached along these lines.

Because of its long history of successful achievements starting with the Uncompahgre Project, the Colorado Big Tom, and moving into modern times with an unbroken string of accomplishments including Hoover, Grand Coulee, and Glen Canyon Dams, the Bureau of Reclamation will inherit the earth and take charge of all of the works thereon.

Because of the saintly role bestowed on it by the Congress and because of its God-like obsession with regulations and conservation of water by non-structural rain dances, the Water Resource Council will provide spiritual guidance and pass judgment from its position in heaven.

This leaves the States relegated to the remaining part of the universe. To provide guidance and give Colorado some choice, there will be two roads to hell. One will be marked Route 1977 in keeping with the Carter "Hit List" of that year. The other road will be marked Route 1980 as a reminder of the Water Resource Council's devilish Principles and Standards
that murder the irrigation and reclamation projects.

Of course, the story is only in fun. But to get to the point, there is a lot of hell down here where the states are and, quite understandably, none of the Federal agencies seem very anxious to join us.

It appears obvious that in the future Colorado is going to have to do more than ever, both to protect the right to use its water resources in the State and to construct conservation storage for water. The 1980's may be the most crucial decade in Colorado's history so far as water is concerned. The State Assembly has made a good start in its last two sessions. It is our job, first, to see that the monies and policies provided by the Assembly are wisely and productively utilized, and second, to encourage that body and the executive branch to continue with a State policy that will implement to the highest degree possible the No. 1 resolution of the Colorado Water Convention of 1979.

Today we are going to hear from somewhere in the neighborhood of 25 sponsors of water projects from all parts of Colorado. I can assure you that every one of those sponsors knows the reason for water storage and the true meaning of conservation. Listen to them carefully. They want water resources developed because their projects mean bread and butter, clothing, education for their progeny, housing, healthful living, and the other necessities of life--and the opportunity to become producers of commodities vital to our national strength. Can you think of a more worthy objective?

But, ladies and gentlemen, there are obstacles in the way. These projects need aid in the form of unified state-wide support. We are here today to see that they get it.

Thank you for the opportunity to present a few of my thoughts for enhancement of the water programs of Colorado.