WORKSHOPS

Friday morning was devoted to three workshops addressing water banking, instream flows and agricultural conservation. These are controversial topics and there is a likelihood that legislation will be introduced on each of these topics in 1993. Conference participants were asked to attend a workshop of their choice. A facilitator was assigned to each workshop to help focus discussion and explore areas of consensus. Each workshop elected a reporter who summarized the workshop discussions and described any consensus reached by the participants when the conference participants reconvened as a group following the workshop sessions. The following papers are these summaries.

Peggy Montaño is an associate with Saunders, Snyder, Ross and Dickson law offices in Denver, Colorado. Peggy has extensive experience in natural resource issues and has published numerous articles on water law. Peggy has represented public and private interests in state and federal courts. She is now representing state interests against U.S. Forest Service claims to huge quantities of instream flow water rights in Colorado's South Platte River Basin.

INSTREAM FLOW WORKSHOP

Peggy E. Montaño
Attorney at Law
Saunders, Snyder, Ross and Dickson, P.C.
707 17th Street - Suite 3500
Denver, CO 80202

INTRODUCTION

Approximately 75 interested citizens participated in a two-and-a-half hour workshop focused on instream flows. The group followed the discussion format outlined below and reached no consensus about whether New Mexico should adopt statutory standards for recognition of minimum streamflows in the waters of the state. The comments made by workshop participants were synthesized so they may be more easily understood. No attempt was made to determine the degree of support for each proposition set forth.

DEFINITIONS OF INSTREAM FLOWS

Suggested definitions included the following: A set amount of a water right; a set amount of water only in a natural stream; a set amount of water in a natural or artificial stream; preservation flows; minimum flows; the minimum amount of water necessary to maintain social values; the maintenance of flows in a predefined reach of a channel necessary to meet a predefined value at a time needed; the amount of water necessary to maintain flora/fauna in a stream segment, i.e., plants and animals survival basis; the amount of water

necessary for a particular activity such as rafting; the amount of water necessary to preserve the natural environment to a reasonable degree.

The group finally ceased the discussion after the following working definition was enunciated: the maintenance of flow in a defined channel at a certain time to satisfy predetermined values.

The following questions were raised in the discussion of a definition of instream flows: From where is the water right to be obtained? Should instream flows be limited only to natural streams or should they also be adopted in artificial streams? Whose values are to be used as the basis for setting minimum streamflows? What timing would be used for instream flows, i.e., would this be a year-round flow? For what purposes is the flow needed? Which section of a stream would be designated as an instream flow segment? How would you account for natural variances in streamflows? During dry years many streams are dry, therefore, an instream flow program may be in opposition to the natural condition. The natural hydrography, whether it is a wet or dry year, should be considered.

THE FOLLOWING ISSUES AND CONCERNS WERE ARTICULATED BY PARTICIPANTS ON A VOLUNTARY BASIS

- 1. Riparian Rights v. Prior Appropriation Doctrine
- 2. Economic impacts of instream flows
- 3. Recognition of instream flows as beneficial use and a water right pursuant to state law
- 4. Historic flows must be considered. For example, a dry Pecos River is the norm historically.
- All New Mexico stream adjudications must be completed in order for instream flows to be considered and be obtained by purchase or otherwise.
- An instream flow already exists in many streams due to the prior appropriation system in which senior water rights call water downstream and prohibit diversion above the senior right on each stream system.
- 7. Changing values in society
- 8. Streams are naturally dry at times
- 9. Impact on agricultural water use in the state
- Economic impact of wasted water because it is not diverted
- Water quality needs if instream flows are adjudicated for certain purposes, those purposes necessarily require a certain quality of water, for example, fisheries
- Coordination of existing uses could meet some instream flow needs. For example, fish propagation could be encouraged by maintenance or management of existing water rights.
- Out-of-state interests gaining control of New Mexico's streams
- Humans should not alter the environment's natural condition.
- 15. Sustainable development should be considered when adjudicating an instream flow, i.e., balancing agricultural interest with interests such as rafting or fish propagation.
- Alternate sources of instream flow should be considered, i.e., imported water into certain basins.
- The priority system should be considered within beneficial use. For example, a hierarchy of uses such as agricultural vs. domestic must be considered.
- 18. The entire water system should be considered together, rather than in pieces, for example, ditches vs. acequias.
- 19. The money to administer instream flows is simply not available. Due to the nature of instream flows.

- administration of these rights would be very personnel intensive.
- 20. Beneficial non-use of water already accommodates existing statutes without injury to other uses. If a senior water user wants to leave his or her water in a stream, they can now do so.
- 21. The effect on New Mexico's future should be considered including an analysis of who will be benefitted and who will be hurt by recognition of instream flows.
- 22. Who owns the water rights that currently exist? Cities and private entities now do. Would the state pay and condemn existing water rights in order to attain instream flows?
- 23. If instream flows are necessary in certain parts of the state, they should be done pursuant to augmentation plans.
- 24. Desired future conditions should be considered, i.e., cultural and biological diversity concerns.
- 25. The state engineer will not support instream flows until regional and state water plans are completed. Therefore, consideration of instream flows is premature. Technical questions such as those concerning quantification of instream flows should be addressed. That is, the hydrology of some streams in New Mexico is such that the streams disappear only to reappear in other segments.
- 26. Financially, who truly benefits from instream flows?
- 27. Long-term issues and impacts should be considered. Is this a "today" issue that will fade in years to come?
- 28. Who will police or regulate and own instream flows?
- 29. Current law does not now protect acequias and until that has been done, no new beneficial uses should be added.
- 30. Currently, there are thirteen adjudications going on within the state. Therefore, ownership of the existing water has not been established. This uncertainty means that the consideration of instream flows should be done at a later time.
- 31. Threatened and endangered species issues
- 32. Sedimentation problems
- 33. Natural hydrology and changes between policy and the groundwater system integration with surface instream flows. For example, would wells be curtailed if an instream flow was not met by surface water rights?
- 34. A concern was raised about the process and timing of this conference because of the divisiveness of the issue.

- 35. The legislature should not use this conference as a basis for legislation on instream flows in this session.
- 36. The cultural and social values of acequias and pueblos would be harmed or may be harmed if instream flows are required.
- 37. Is evaluation of the biological community and riparian areas necessary prior to implementation of instream flows?
- 38. The racist aspects of environmental issues against Hispanic and Native Americans were raised.
- 39. Is it unconstitutional to take water as property from private citizens by the state if instream flows are required?
- 40. Federal law and reserved water rights issues were raised. Some participants were opposed to federal requirements of instream flows and suggested state law be strengthened to provide protection from federal agencies.

DOES THE EXISTING SYSTEM ALLOW FOR PROTECTION OF INSTREAM FLOW VALUES?

Acequias now protect areas above the diversions by maintaining water in the stream and delivering water pursuant to senior rights. We do not need instream flows mandated by statute because in the high mountain streams such as wilderness areas, waters must now flow down to senior rights below. If instream flows are mandated, they must be junior water rights because that would be the only way within the existing system to protect existing water rights and the area's culture.

A discussion continued concerning whether the present system sufficiently protects instream flows. It was suggested that specific areas needing protection be identified and focused on. If threatened species exist, the Endangered Species Act could also be used as a method for protecting particular segments of stream systems. The role of interstate compacts in protecting instream flows was also raised. To the extent the compacts require New Mexico to deliver certain amounts of water to the state line, instream flows are guaranteed up to that amount. In addition, concerning endangered species, if New Mexico maintains sufficient waters to protect a species, this state law would prevent the federal government from imposing and enforcing the Endangered Species Act within the state. This was viewed as a positive aspect. The recognition of federal agencies, such as the U.S. Forest Service, impacting greatly on water use in the state was discussed. The U.S. Forest Service was described as an

agency which affects water by clear cutting trees which destroys stream systems within the state. A discussion followed concerning the interplay of the Endangered Species Act, the National Environmental Protection Act (NEPA), and the Federal Land Management Policy Act (FLMPA) and the interplay between agencies which pick and choose the law which most benefits its position at the moment. It was recognized that a need to coordinate federal agencies and federal laws within the state to assess their impact and control their impact on water resources is needed. International impacts were also recognized in the discussion. The impact of Asian countries purchasing U.S. timber at prices much cheaper than they can purchase timber within their own boundaries was seen as an impact on the forest of the West. The dollar amount for which such timber is sold is not recognized as sufficient compensation to the people of New Mexico for cutting down the forests.

Concern was voiced about hidden agendas and instream flows.

Acequias were recognized as enhancing and increasing riparian areas within the state and within the current water system. Because of the rights-of-ways in the northern part of the state, this was seen as positive. Elephant Butte Irrigation District was also recognized as having some acequias.

Participants discussed the effect of forfeiture of water rights. The example was given that if the Nature Conservancy purchased land and an accompanying water right for the purpose of leaving water in the stream to protect a desirable habitat, could the forfeiture law be used to deprive or abandon that senior water right? If so, the discussion focused on changing the law so that a senior water user could choose to leave his or her water right in the stream to protect instream flow habitat.

WATER RIGHTS ABANDONMENT AND THE DIFFERENCE BETWEEN FORFEITURE AND ABANDONMENT

The statement was made that no one is now precluded from applying for a water right in order to protect instream flows. Who would hold this water right in the future if such a right were created by state law? Should the Interstate Stream Commission (ISC) apply for a water right and create an instream flow on, for example, the Pecos River by drying up lands that are now irrigated? Could the ISC, if it held such a water right, be exempted from the forfeiture program if the water right was held for statutorily recognized beneficial purposes?

Some concern was voiced that recognizing a water right for instream flow purposes regardless of who the owner would be would set a dangerous precedent that could not be stopped. The question was raised, could a person or entity with an instream flow right argue that a new well could not be drilled because it would hurt the instream flow water right due to depletive effects?

It was clear that many people believed that the existing system of laws now provides means to protect instream flows and some slight modifications could be made to further protect instream flows if that is the intended result.

Discussion was raised concerning the use of the words "public welfare" in existing law. Could such recognition of water rights for the public welfare be used to have an instream flow water right curtail a well? That was recognized as possible by the participants. The discussion ensued concerning the state engineer and the legislature's need to codify "public welfare" and ensure that it does not conflict with cultural and social values and consider only economic values.

PROPOSALS FOR CONSENSUS

No consensus could be reached other than the recognition that instream flow legislation was a highly contentious topic. A proposal was made to resolve that no instream flow legislation be considered by the state legislature either this session or ever because it is a threat to many of the state's cultures and economies. Instream flow legislation, if adopted at all, should await planning on a local level which is currently under way.

There was also a proposal that a resolution be adopted that this conference would not be used at the legislature by lobbyists or special interest groups as support for a statute this session.

In the end, the participants agreed to disagree on the issue with the facilitator making the statement that the existing system can be used for protection of instream flows. However, it is unclear what water laws, compacts, private lands and/or reservations protect instream flows, including acequias. Howard Hutchinson is a writer and chairman of the Catron County Water Advisory Board. He also is media liaison for the Arizona/New Mexico Coalition of Counties, publicity agent for Silver Crest Publishing in Mogollon and a researcher and reviewer for the Federal Lands Legal Foundation. Howard was co-owner, publisher, reporter and editor of the Catron County Firestarter for 11 years, and is a member of the Catron County Land Planning Committee. Howard's interests include home building, political science, economics, and whitewater boating.

WATER BANKING WORKSHOP

Howard Hutchinson
Chairman
Catron County Water Advisory Board
Route 10 - Box 484
Glenwood, NM 88039

The expressed objective of the water bank workshop was to leave the meeting with a consensus on the need and form of legislation to allow water banking in New Mexico. Discussions focused on: 1) protection of private water rights and private property from acts of forfeiture or condemnation; 2) possible benefits water banking could accrue for the local, regional and state economies and ecosystems; 3) whether or not water banking can contribute to resolving instream flow, riparian management, federal reserved water right and conservation issues; and 4) exploration of legislative language amendments, or creation of new language in New Mexico Water Law that will create a "win-win" solution in the battle over water uses.

The workshop was divided into two parts. Part I was identification and open discussion of issues and concerns. Part II was devoted to establishing consensus on the need for water banking or other mechanisms in New Mexico.

ISSUES AND CONCERNS

1. Are meeting aquatic and riparian water demands compatible with the protection of private property and privately held water rights?

- 2. Are there existing mechanisms and entities under current New Mexico water law that allow for water banking, instream flow and water conservation?
- 3. Does government acquisition of private property and water rights adversely affect local planning and flexibility to address changing local needs?
- 4. Are there existing laws to protect forfeiture of water rights devoted to conservation purposes?
- 5. Can unappropriated water be reserved and marketed?
- 6. What is the difference between reserving and marketing?
- 7. What reasons exist for not using appropriated water?
- 8. Should there be more local autonomy over decisions on water use vs. sole direction from the state engineer? Does this usurp the power of the state engineer or reduce administrative burden? Are there constitutional or legal problems in increasing local control?
- 9. What is the difference between a right to water and water right?

- 10. Would water banking cause water speculation?
- 11. How can New Mexico contract for Central Arizona Project (CAP) or other new unappropriated water for which we have no current use?
- 12. For what purposes can unappropriated CAP or other new unappropriated water be used?
- 13. What are the differences in banking, conserving or reserving water in fully appropriated and established systems vs. unappropriated waters?
- 14. What are the mechanics of securing reserved water rights?
- 15. Does local control of water promote planning flexibility on an annual basis?
- 16. Do mechanisms exist that allow water to be used for instream flow from individuals, conservancy, acequia, or irrigation districts or other political subdivisions?
- 17. Pre-1939 water districts were established for agricultural purposes, not for municipal/industrial or conservation purposes.
- 18. Are permits required to realize instream flows or other riparian management plans?
- 19. Will water banking or other mechanisms prevent private property and water right condemnation?
- 20. Can joint powers agreements be used for acquisition of CAP or other new unappropriated water?
- 21. Would establishing a local or regional water-holding entity preempt condemnation by a federal or state authority?

CONSENSUS ON SOLUTIONS FOR ISSUES AND CONCERNS

This section's objective was to focus on arriving at a consensus to satisfy specific water demands and purposes. The question was asked: Is there a need for water banking in the state of New Mexico? Part I revealed that there are several mechanisms to reserve and assign uses of unappropriated water. We also discussed the different definitions of water banking and other methods of water conservation and allocation.

The issues and concerns listed previously were extracted from the discussions in Part I along with others raised in Part II. The list does not necessarily reflect the sequence in which they occurred. To provide reference in the following text, the numbered focus questions and issues and concerns addressed appear at the beginning of each paragraph.

Often consensus can be reached by agreement on definitions. It appears, in retrospect, that this is what occurred in the workshop. Instream flow, water banking, conservation and reserved water, as they relate to

New Mexico water law, have triggered debate and argument for some time. Those familiar with New Mexico water law and the prior appropriation doctrine can be left with the impression that the above water concepts are not compatible with existing New Mexico water law.

Focus question 3, Issues and Concerns 2,4,16, 18— The term instream flow has caused many hours of legislative debate without resolution. As Tim DeYoung stated in the previous day's presentation, instream flow could be called free-flowing water. This free-flowing water may be found in acequias and irrigation ditches.

Focus questions 2,3,4, Issues and Concerns 2,4, 15,19,21 — Consensus was reached that any attempt, at this time, to legislate a new water banking entity is unnecessary. Water banking is alive and well in New Mexico. NMSA 72-12-8(d) established the Pecos Valley Artesian Conservancy District Water Bank. It was suggested that an amendment to this legislation could establish the same type of mechanism for other specific areas of the state. It also was pointed out that NMSA 72-1-9 allows several types of political subdivisions of the state to reserve water for up to 40 years. This provision includes counties.

Issues and Concerns 1,2,3,4,7,8,10,15,19,21 — The above discussion revealed two distinct definitions of the term "water banking." From the standpoint of conservation, water banking means the voluntary suspension of use by a water right holder, in order to recharge an underground aquifer (Pecos Water Bank Model), and by inference could be used to stabilize or augment surface water flows (mechanical water banking). From the standpoint of water marketing, unused or unappropriated water could be reserved and marketed (Albuquerque's San Juan/Chama Water Marketing Model) or deposited by a private or public water right owner into a brokering entity (California Water Bank Model) which would in turn market that water for other uses (marketing water banking). Both of these concepts of water banking rely on a special exemption to the forfeiture clause such as contained in NMSA 73 and 72-1-9. To avoid water speculation, an established water right, deposited in a water bank by individuals or other entity, would have to be appropriated under the beneficial use doctrine and remain appurtenant to land within the basin-of-origin.

Issues and Concerns 2,4,5,6,7,11,12,13,14,16 — The terms "conservation" and "reserved water" proved to

be stumbling blocks in the discussions. We arrived at consensus on the following definitions: "Conservation" means preserving something currently in use for a future use. "Reserve" means preserving something not currently in use for some future use. Under current New Mexico water law, reserved can mean both "conserved" and "reserved" water.

Both of these terms, as they relate to New Mexico waters and as used in the context of water banking, also can have different methods of employment. There can be mechanical and marketed conserved or reserved water. An example of mechanical conserved or reserved water is when authorized political subdivisions, under NMSA 72-1-9, and local and regional planning, secure future water needs from acquired existing sources (conserved) or unappropriated sources (reserved).

Examples of marketed conserved water are the Albuquerque Model described above, return flow credits (a closed administrative marketing transaction) and conservation and irrigation districts who sell surplus water to users within their jurisdictions.

The issue was raised as to whether or not a political subdivision has to actually secure a permit for conserved or reserved water. It was suggested that such an entity make application for such a permit.

Focus questions 1,2,3,4, Issues and Concerns 1,2, 3,4,7,15,16,18,19 — Consensus was reached that, when there are demonstrated needs for protecting aquatic and riparian systems or underground or surface water sources, there are existing mechanisms to do so in New Mexico water law. During drought conditions, the simple act of discontinuing use or conserving water can augment natural stream flows. Forfeiture of a water right requires a minimum 5 years. Therefore, individuals or local water authorities have flexibility in regulating flows without resorting to temporary transfers or other mechanisms. This method insures the greatest degree of local control over the designation of water use.

This discussion raised the question: If the local water users do not participate voluntarily with expressed policies of the local or regional plan or federal or state agency wishes, should they be forced to bear the economic losses for the desires of the general public? Recent Supreme Court decisions have reinforced the Fifth Amendment's taking clause, holding that individuals who are compelled to surrender private property to accommodate the desires of the general public, through regulatory actions, must be compensated. Adequate funding sources exist to compensate for temporary or permanent acquisition of water. Just

compensation paid in the form of leases could work much better than prolonged court or legislative battles for condemnation. The concern was expressed that, once privately held water rights or property are transferred to state or federal ownership, it is nearly impossible to get them returned to private, locally controlled uses. This can have devastating effects on the local cultures and economies. Local and regional plans should be relied upon to address water allocation problems.

Issues and Concerns 8,11,14,20 — In New Mexico, the vast majority of surface water and underground water are subject to interstate compacts and court decrees. There is very little, if any, unappropriated water left in the state. Therefore, any new uses of water must come from existing water rights. Satisfying the required water deliveries on these interstate streams adds several complications to local water management. There is available water from the Colorado basin through the CAP and the Animas/La Plata projects. The Interstate Stream Commission (ISC) has the authority to purchase such water for uses in the state. The ISC can purchase this water for immediate use or reserved uses. Joint powers agreements also can be formed to accomplish the same ends or local authorities could contract for these additional water rights. The major problem facing local authorities or joint powers groups is financing these rather large expenditures.

The seriousness of the situation was punctuated by the statement made by one workshop participant, "Unless you shoot people at the border, they will come in and get our water." Contracts for CAP water must be made immediately. If not, California will apply for CAP water not being used in Arizona and New Mexico. Another complication of local control of interstate streams is the state's obligation, as a whole, to satisfy the water deliveries. Local authorities would have little to lose by telling an adjacent state to sue over any disputed water.

Focus questions 3,4 Issues and Concerns 3,17,18, 19,21 — Instream flow rights and federally reserved water rights were not discussed on their own merits. However, one of the objectives of examining water banking was to search out "win-win" proactive solutions for these water use conflicts. It was mentioned that pre-1939 water projects were devoted exclusively to providing water for agriculture. After 1939, provisions were made for municipal and industrial (M&I) water and conservation. Pre-1939 irrigation districts

such as Elephant Butte are under no obligation to provide water for instream flows, M&I or recreation. Attempts at condemnation would have to overcome the difficulty of one branch of the state suing a political subdivision.

Several federal agencies have intimated that there are circumstances under which the federal government could assume supremacy over certain waters. However, at this time, federal laws recognize state jurisdiction over water resources decisions. Most federal reserved water rights are located high in the watersheds and do not affect New Mexico waters. Recent wilderness and wild and scenic river legislation on lower elevation lands contain water language which, if passed, could impact water rights held upstream. Minimum natural water course flows have also been prescribed for some recovery plans under the Endangered Species Act. No attempt has been made to claim or condemn water rights for threatened or endangered species. Several events have taken place, such as high volume releases from some reservoirs and opposition to certain new water projects, which may indicate some federal agencies are testing this area of the law.

The prior appropriation doctrine produces de facto instream flow in that certain amounts of water are required to be released to flow to the next user or supply water deliveries on interstate streams. Prior to the construction of storage dams on New Mexico streams, even the largest rivers went dry during some years. Minimum stream flow is not a natural element of riparian ecosystems in the Southwest.

Issues and Concerns 2,4,7 — There were several reasons discussed as to why available water would not be in use that could be applied to other uses. After floods, many fields are left unusable for a long time. Owners of water rights take extended vacations or are unable to work their farms for health reasons. Some villages, municipalities, associations, schools or counties may purchase water rights for future use. All these situations and others provide an opportunity for those water rights to be used for other purposes. If a brokering entity existed, it could market water to other uses. Also, under current law, temporary transfers of water use and points of diversion may be approved by the state engineer.

CONCLUSION

Consensus was reached that there is a need to consider water banking as a means to conserve water. Consensus was also reached that there is no need at this time to create special legislation for water banking. There are several existing, defined-by-statute entities capable of performing the holding and marketing of water and water rights. In some cases, existing legislation would have to be amended to provide for site-specific applications. The consensus was that it is much easier to work within the boundaries of the current law than to create new law.

ACKNOWLEDGMENTS

The water bank workshop was, for this writer, very educational and productive. This is owed in great part to several individuals who contributed to the preparation and participation in the discussions. We would like to acknowledge the contributions to the discussion by Charles T. DuMars, Steve Hernandez, Dr. Bobby Creel, New Mexico Water Resources Research Institute staff, New Mexico State Engineer Office staff, New Mexico Acequia Commission and Association, Pecos Valley Artesian Conservancy District and the U.S. Fish and Wildlife Service. Our appreciation also goes to Keith Melton from the Interstate Stream Commission who originally proposed the workshop, David Lujan from the Tonantzin Land Institute for contributing concepts on water trusts, and to all of the many participants in the workshop discussion.

Wesley Menefee is a lifelong resident of the Pecos Valley, was raised on a farm and has farmed since 1959. He graduated from New Mexico State University with a B.S. in Agriculture. Wesley served on the Central Valley Soil and Water Conservation Board for 24 years. In 1992, Wesley was named Outstanding Conservation Farmer of the Year by the New Mexico Association of Conservation Districts. He has served on the Pecos Valley Artesian Conservancy District Board of Directors for about six years. He is also a member of the Cottonwood-Walnut District Board.

AGRICULTURAL CONSERVATION WORKSHOP

Wesley Menefee
Pecos Valley Artesian Conservancy District
P.O. Box 1346
Roswell, NM 88202

During the agricultural conservation workshop we addressed many of the same issues the other two workshop groups did because instream flow, water banking, and ag conservation issues are interrelated and all very important. I have compiled a list of questions discussed and not many answers. We did arrive at a consensus that there is no way agricultural conservation legislation should be introduced now because there's no background for developing legislation, and no data showing that legislation needs to be introduced.

First, the big question: Are we talking about conservation of water statewide, or are we talking about conservation within a region or an aquifer, or are we talking about conserving water on the farm? Each of these aspects has a different application and a different consequence. We never resolved that question. We discussed the three types of irrigators in New Mexico, however, and how conservation impacts each group. One group is composed of irrigators who receive the majority of their water from irrigation or conservancy districts, like Elephant Butte Irrigation District or the Middle Rio Grande Conservancy District. Another group of irrigators are the acequia users, mainly in northern New Mexico. The third group is made up of irrigators who pump groundwater, such as the produc-

ers in the High Plains or in Luna and Hidalgo counties.

These three groups irrigate in very different ways, so conservation methods should be implemented accordingly and technical assistance encouraging conservation should fit the irrigator's situation. Each group deals with different quantity and quality issues also, and these impact conservation differently.

Another major question concerned the economic impact or cost of conservation. Are producers going to pay for conservation measures themselves? Or will irrigation districts or acequia organizations help pay the costs? We agreed that conservation measures should stand on their own with regard to costs. There is no need to burden the taxpayer further. Additionally, the cost/benefit ratio can be an incentive to conserve water.

Other questions our group voiced were: For what uses are we conserving this water? For reuse or lease to our neighbor who doesn't have much water? To an industry? Or can we sell this conserved water? How do we induce change? Through rule-making or through incentives? One comment was made that we might induce change through conservation credits. Some participants interpreted this to mean that an individual would receive monetary payment for conserving water, but that was not the intent at all. By conservation

credits, we are referring to water credits possibly being awarded for conservation. Although we weren't sure of how such a system might work, we thought it might have merit.

Currently, there are funds available through lowinterest loans and possibly grants to encourage water conservation on farms and in districts through ditchlining, sealing the reservoirs, laser-leveling, and underground pipelines. Some of these conservation measures aren't necessarily appropriate for each group of irrigators. The acequia users observed that in some cases a return to more traditional, historical practices might actually be beneficial to conserve water. Many of these practices have been lost through the years and there should be a conscientious effort to re-employ them. Also, many of the acequia farms are smaller than those elsewhere in the state, and conservation practices such as laser-leveling aren't economically feasible. We talked about conservation measures being rooted in the community, another reason why any conservation plan perhaps should be implemented on a regional or local basis.

We discussed the impact of federal laws on conservation. How do the Endangered Species Act or wetland issues impact the conservation of water? Are we conserving water for these other uses? As with the other two workshop groups, we needed a definition of public welfare. The main reason we need a definition of public welfare is because of a fear on the part of the water rights owners that the definition may somehow determine that their water rights may be taken because it could be construed that the public welfare is a higher and better use of your water right than what you are currently using it for.

The suggestion was made that we get legislation passed now before the agricultural industry loses more influence legislatively. Well, we don't have any legislation to present. That point has merit but we are not ready at the present time.

We went on to try to define who should oversee conservation practices. The community, the districts, the regions or the state? Who takes this initiative? We identified several groups already in place to help foster conservation.

- There are regional water planning groups now conducting water planning, helping to identify resources, and planning for those uses, which interact with conservation. Maybe conservation should fall under the regional water planning.
- Soil and water conservation districts exist in communities all across the state. In fact, there are 47 water conservation districts in the state. They now

- provide technical assistance to farmers and ranchers or water rights owners for conserving water on the land or on-farm. Our group decided they were the best organization already in place to help influence the conservation of water.
- Federal and state programs are in place now that provide low-interest loans and assistance to encourage conservation.
- Statutes are already in place concerning the waste of water. The suggestion was made that perhaps the State Engineer Office had not been as effective as it could have been in enforcing these statutes.

In conclusion, we feel there is no legislation now ready to be presented, and leadership should come from the top, and as the gentleman said yesterday, with input from the bottom up and the inside out.