3-27-97

COLORADO RIVER WATER CONSERVATION DISTRICT

May 23, 1997

Tyler Martineau, Manager
Upper Gunnison River Water Conservancy District
275 South Spruce Street
Gunnison, CO 81230

Dear Tyler:

Enclosed is a brief summary of a study currently in progress to answer the oft-quoted "double subsidy" accusation of federal project water for agriculture. As you can see, Colorado's "share" of the project's expense is $3,277 to $6,652. I thought your organization might consider a contribution toward this important study.

If you have further questions, I suggest you contact Steve Arveschoug at Southeastern Colorado Water Conservancy District (719/544-2040) as he is a Task Force leader in this study.

Sincerely,

Christopher J. Treese
External Affairs

CJT:sks
Enclosure
pc: Steve Arveschoug

SUITE #204 • 201 CENTENNIAL STREET
P.O. BOX 1120/GLENWOOD SPRINGS, COLORADO 81602
(970) 945-8522 • FAX (970) 945-8799

Family Farm
ALLIANCE
P.O. Box 12275
Casa Grande, AZ 85230

MEMORANDUM

DATE: March 21, 1997

TO: Alliance Directors and Advisory Committee Members

FROM: Wendy Kump Lauchland, Telephone: 916.683.7196

RE: Western Irrigation Projects Economic Benefits Review - Phase I

During the Advisory Committee's March 17th conference call, a recommendation was made to the Alliance Board of Directors to begin Phase I of the Western Irrigation Projects Economic Benefits Review. This project would be the first westwide economic review summarizing for the rest of the country what western water users have known all along - there are significant economic benefits from the federal water projects and irrigated agriculture. The Directors have unanimously accepted the Advisory Committee recommendations which include:

* Hiring Dr. Darryll Olsen to serve as the principal investigator of the project.

* Dr. Olsen will be responsible for the following tasks during Phase I:

  Identify and review existing USBR - and other sources - studies on project economic benefits (what is available)

  Review the GAO report and specify key issues that should be responded to within the FFA report

  Work with FFA Executive Director, Board and Advisory Committee to define FFA report scope-of-work, issue

coverage, and report style format; attend review/workshop meetings as required.

Identify senior reviewers for report review/participation

Prepare detailed outline of the FFA report for Phase II action, for review by FFA Executive Director/Board/Advisory Committee

* Funding for this special project (which is new and not included in the 1997 Budget) will be shared by all Alliance member states. The anticipated Phase I cost of $9,276.25 to be apportioned according to the number of irrigated acres in the states (see attached).

There is tremendous enthusiasm for this project. Once it is complete, western water users will finally have accurate information about the economic benefits of federal water projects - to the nation, states and rural communities. This economic review will put us on the offensive on an issue that does not seem to go away - "double subsidy" attacks, corporate welfare and inaccurate information from our opponents will continue and probably escalate.

The Western Irrigation Projects Economic Benefits Review is a project developed by Alliance member states with the goal of benefiting all western water users. Alliance Directors and members of the Advisory Committee will be briefed and asked to review, comment and provide direction throughout the development of the economic review. This will be a quality project that we will all benefit from - and all must work to support. Your states' funding commitment is imperative. Phase I funding is due by May 15th. We have provided Phase II estimate costs for your states' planning purposes. Please call me if you have any questions.

ADVISORY COMMITTEE

WESTERN IRRIGATION PROJECTS ECONOMIC BENEFITS

FUNDING BY STATE

STATE	IRRIGATED ACRES	PHASE I (May 15, 1997)	PHASE II - ESTIMATE (September, 1997 approximately)
Arizona	402,539	$454.54	$735 - $1,960
California	2,676,215	$3,014.78	$4,875 - $13,000
Colorado	1,109,081	$1,252.29	$2,025 - $5,400
Idaho	1,444,832	$1,632.62	$2,640 -$7040
Nebraska	502,852	$565.85	$915 - $2,440
Nevada	102,259	$111.32	$180 - $480
New Mexico	205,342	$231.90	$375 - $1,000
Oregon	467,018	$528.75	$855 - $2,280
Utah	367,477	$417.43	$675 - $1,800
Washington	945,778	$1,066.77	$1,725 - $4,600

Family Farm ALLIANCE℠

FACSIMILE COVER PAGE

Date: 3/16/97
Time: 0:54:38
Pages: 2

To: Arveschoug, Steve
Company: FFA
Fax #: 1-719-543-8467

Message:

TO: Family Farm Alliance Advisory Committee

FROM: Wendy Kump Lauchland

CC: Alliance Directors

The Task Force (Steve Arveschoug, Jason Peltier, David Iwanski and Joe Raeder) has now reviewed and discussed various ways to put together a review of the Economic Benefits of Western Irrigation Projects. Their recommendations to the Advisory Committee regarding initial work on the project are as follows:

1. Hire Dr. Darryll Olsen, Pacific Norhtwest Project, as the principal investigator.

2. The Task Force asked Dr. Olsen to look into specific areas and to attach a fee to that phase of work (see attached March 13th memo)

3. Review Olsen memo with full Advisory Committee on March 17th to then develop final recommendation for Alliance Board of Directors.

BUDGET ESTIMATE-FFA PROJECT-PHASE I-97-1

Date: March 13, 1997

Project Sponsor: Attention: Wendy Lauchland, Executive Director
Family Farm Alliance

Project P.I.: Darryll Olsen, Ph.D.
The Pacific Northwest Project
6725 W. Clearwater, Suite D
Kennewick, WA 99336
509-783-1623, FAX 509-735-3140, E-Mail: DOlsenEcon@AOL.com

Project: Western Irrigation Projects Economic Benefits Review
Phase I.

Project Period April-May 1997

Tasks:

1) Identify and review existing USBR--and other sources--studies on project economic benefits (what is available?).
2) Review the GAO report and specify key issues that should be responded to within the FFA report.
3) Work with FFA Executive Director and Board to define FFA report scope-of-work, issue coverage, and report style and format; attend review/workshop meetings as required.
4) Identify senior reviewers for report review/participation.
5) Prepare detailed outline of the FFA report for Phase II action, for review by FFA Executive Director/Board.

Proposed Budget: Phase I.

Hours Charged	Charge $85/Hour	Travel Air Fare	Trav.Auto & Lodging	Office Charge	WA B&O Tax	Total $
90	$7,650.00	$800.00	$400.00	$200.00	$226.25	$9,276.25

PACIFIC NORTHWEST PROJECT INFORMATION MEMORANDUM

FAX Transmittal: 1 Page

DATE: February 21, 1997

TO: Wendy Kump Lauchland, Family Farm Alliance (FFA)
Hotel Guest, Rio Suites Hotel

FROM: Darryll Olsen, Ph.D.
Regional Planner/Resource Economist

SUBJECT: Suggested Action Steps for Proceeding with FFA Western Irrigation Projects' Economic Benefits Review

Key Action Steps:

- *Define Effort Level:* The FFA Directors should establish the level of effort and funding actually desired. There are at least two major options: 1) a "targeted" Technical Memorandum or "white paper" that focuses on selected issues, referring to different irrigation projects ($25-50k); or a full study/review evaluating in detail several projects ($50-100k). Also, the FFA Directors should separate the review design phase (I) from the review development phase (II), a two-phase approach is recommended.

- *Initiate Phase I, Select Principal Investigator:* The FFA Directors should select a principal investigator for the review study. The PI will be the prime contractor responsible for project development, implementation, and completion. The PI selection should be accomplished through a request for qualifications (RFQ) process.

- *Secure Congressional Support and Endorsement:* With the PI, meet with members of the Western Water Caucus (WWC) to solicit their direct endorsement for the review and to identify their "hot button" issues.

- *Define Explicit Project Scope:* With the PI, hold a review workshop to define explicitly the project objectives, target audience, scope of work, and "targeted" irrigation projects and issues. This action could be combined with the WWC meeting.

- *Prepare Review Proposal to FFA:* The PI will prepare a formal review proposal/outline for the review describing scope of work, time line, co-authors and senior reviewers, and total Phase II review costs (including presentation meetings).

- *Initiate Phase II, Prepare Review:* The FFA Directors authorize the PI to proceed with review preparation, with designated deliverable dates for draft work products and final report.

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509-783-1623, FAX 735-3140, E-Mail DOlsenEcon@AOL.com