

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board

FROM: Steve Miller, Water Supply Protection Section

DATE: January 20, 2009

RE: **Agenda Item 27 January 27-28, 2009 Board Meeting**
Water Supply Protection Section – Tamarisk Control Cost
Sharing Grant Program – Consideration and Adoption of
Program Guidance and Procedures

Bill Ritter, Jr.
Governor

Harris D. Sherman
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Dan McAuliffe
CWCB Deputy Director

Introduction:

This item is to seek the Board's final approval of criteria and procedures to establish and implement a new Tamarisk Control Cost-Sharing Grant Program as authorized by HB08-1346.

Discussion:

Attached to this memo is the Final Draft of the proposed Tamarisk and Russian Olive Control Cost Sharing Grant Program Guidance and Procedures. We have completed the final draft incorporating comments from The Nature Conservancy, the Tamarisk Coalition, the Colorado Youth Corps, and the Southeastern Colorado Water Conservancy District. We may also be receiving additional comments from the Colorado Dept. of Agriculture, and if so we will relay those to the Board at the meeting. Staff is recommending a 60 day application submittal period (February 15 – April 15, 2009) based on several comments (although some reviewers thought a 30 day period would be sufficient) and to allow any budget or funding uncertainties to be resolved prior to project selection. It is proposed that the Board review and select the final group of grant recipients from a slate of scored and evaluated project applications at the May 2009 meeting. We expect the Tamarisk Coalition to be present at the meeting and to assist in the presentation of this item to the Board.

Recommendation:

Staff recommends that the Board give final approval to the Tamarisk Control Cost Sharing Grant Program Guidance and Procedures discussed today, and as modified by Board comments if necessary. Further the Board authorizes staff to solicit applications based on the final program criteria, application materials, and evaluation procedures for final project selection at the May 2009 Board meeting.

FINAL DRAFT January 28, 2009
Colorado Water Conservation Board
Tamarisk and Russian Olive Control Cost Sharing Grant Program
Guidance and Procedures

[Add fund availability / budget holds disclaimer??]

I. Background

A. Introduction

The purpose of this Grant Program Guidance and Procedures is to establish and describe the criteria and competitive process for the issuance and administration of grants from the Colorado Water Conservation Board's (the "Board" or "CWCB") for the Tamarisk and Russian Olive ("TRO") Control Cost Sharing Grant Program. The Board is the state executive branch agency responsible for state water policy and planning. The Board's mission is to conserve, develop, protect, and manage Colorado's water for present and future generations. Its major programs include Watershed Protection & Flood Mitigation, Water Supply Protection, Water Supply Planning and Finance, Water Conservation and Drought Planning, Stream and Lake Protection, Water Information, and Intrastate Water Management and Development. Targeted control of invasive phreatophytes and riparian restoration meets the objectives of many of these programs and is consistent with the Board's overall mission. More information about the CWCB and its sections can be found at <http://cwcb.state.co.us>.

B. History

The grant program is intended to provide cost share assistance to eligible entities to control and/or eradicate Tamarisk (also known as salt cedar) and/or Russian Olive ("TRO"), two woody invasive phreatophytes that have degraded the state's riparian areas, restricted channel capacity thereby increasing flood risk, and resulted in increased non-beneficial consumptive use of water. This grant program will meet needs identified and prioritized in state approved, watershed based TRO control plans.

The CWCB has had substantial involvement in developing a well planned strategy to solve Colorado's TRO problem. In 2003 Governor Owens issued Executive Order D00203 which directed the Colorado Department of Natural Resources ("DNR") and the Colorado Department of Agriculture ("CDA"), and any other state agency "... to take measures necessary to eradicate tamarisk on public lands within 10 years ... (and to) submit a report ... outlining a viable plan". In January 2004 DNR submitted the required plan to the Governor's office and it was accepted. The plan recommended a local watershed based approach to TRO control, with the state providing technical assistance and coordination. The CWCB took on this challenge for DNR and has been moving ahead. In 2006 and 2007 CWCB funded a statewide mapping and inventorying of TRO infestations. In 2007 the *Colorado Headwaters Invasives Partnership* (CHIP) plan was completed for the Colorado, Gunnison, and Dolores rivers and endorsed by Governor Ritter. Currently, companion plans for the Arkansas, Purgatoire, Republican, South Platte, White, San Juan, and Yampa rivers are in various stages of completion. All are being completed utilizing the prior mapping work and other grants for technical

assistance from CWCB. On Oct. 11, 2006 the President signed the *Salt Cedar and Russian Olive Control Demonstration Act, PL 109-320*. Sponsors included Rep. Udall and Salazar, and Sen. Allard and Salazar. The Act authorizes federal matching funds for large-scale demonstration projects which Colorado entities hope to access if and when those funds are appropriated. With authorization of this cost share grant program the CWCB is now ready to move into "on-the-ground" TRO control efforts and to do so in conjunction with local and federal funding and in accord with the approved watershed based TRO control programs.

C. Authorization

House Bill 08-1346 enacted by the 2008 Colorado General Assembly, authorized the CWCB Tamarisk Control Cost Sharing Grant Program with an initial appropriation of \$1 million. The allocation of funds for this competitive round is \$900,000. The CWCB has reserved 10% of the authorized \$1 million program funding (the first \$100,000) for project administration, monitoring and evaluation of projects, and to meet specific scientific research needs. While the bill language is silent as to Russian Olive control, the Board's efforts and plans have always addressed both of these non-native species of phreatophytes, and the CWCB has confirmed with the sponsors of HB08-1346 that the legislative intent was to include Russian Olive control in the program.

HB08-1346, SECTION 29. Tamarisk control cost-sharing grant program - appropriation. (2008 Session Laws, chapter 338, Section 29)

(1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the severance tax trust fund operational account not otherwise appropriated, to the department of natural resources, for allocation into the Colorado water conservation board construction fund, for the fiscal year beginning July 1, 2008, the sum of one million dollars (\$1,000,000), or so much thereof as may be necessary, for the board to finance a tamarisk control cost-sharing grant program.

D. Managing Partners

The grant program will be managed in partnership by three entities: the CWCB, the CDA, and the Tamarisk Coalition ("TC"). A description of the CWCB's mission and interest has been provided above. The CWCB will retain financial control and make final funding decisions. The CDA was identified in DNR's 10 Year Strategic Plan as a partner and is the agency charged with administering the Colorado Noxious Weed Act (CRS 35-5.5-101 – 119) and implementing regulations (8 CCR 1206-2). CDA has regulatory authority with respect to TRO control and also provides technical assistance. The State Weed Coordinator within CDA has assisted CWCB in designing this grant program and will be approving all TRO Control Plans as further described below. The TC is a non-profit alliance working to restore riparian lands. The Coalition has been providing technical assistance and advice to the Board on TRO control since 2002 and has been instrumental in developing this grant program. The TC has also worked with interested water user groups to develop watershed based TRO control plans.

Managing partners may not apply for or receive grant funding and have agreed to not directly provide assistance to eligible entities in drafting or completing applications for

the TRO grant program. They can provide technical information within their expertise to potential applicants. Partners will serve on the application evaluation team, and may also assist the CWCB in monitoring grantee and project performance.

II. Grant Approval Criteria

A. Competitive Process

The Board will select the projects to fund totaling \$900,000 from those applicants best meeting the following minimum requirements. The Board reserves the right to negotiate with successful applicants to modify the scope and/or budget of their projects to better meet CWCB objectives and fund availability. A four member evaluation team consisting of a CWCB and CDA staff member, a Tamarisk Coalition representative, and an environmental or volunteer organization representative, will review the applications and provide a set of recommended projects to the Board. Any entity submitting an application for funding will be excluded from participation on the evaluation team. The CWCB will review and consider those recommendations and make final project selections at a regularly scheduled Board meeting.

B. Required Project Elements

The TRO Program objective is to provide funding for on-the-ground activities necessary for TRO control and subsequent restoration projects physically located in a watershed covered by a state approved, watershed based TRO control plan and must demonstrate consistency with that plan in order to assure a coordinated, efficient and cost effective Program. "State approved TRO control plan" means a plan approved by the State Weed Coordinator in the CDA, which is consistent with the Colorado Noxious Weed Act and implementing regulations.

Projects must demonstrate that all four mandatory components of TRO control can be reasonably achieved:

1. Control of TRO in priority infested areas through "integrated pest management" (IPM) techniques chosen based on the extent of infestation and on-site characteristics.
2. Native revegetation/restoration, as identified in the State approved TRO control plan for the watershed. Revegetation may be through either natural processes or through direct intervention (i.e. reseeding or replanting) depending on the suitability of the existing ecological condition of the watershed and shall, consistent with the overall State approved TRO control plan, meet the needs of the owners intended land use to the extent possible while assuring no re-entry of invasive vegetation.
3. Monitoring of project effectiveness shall continue beyond project completion for a minimum of 5 years. Development of a monitoring plan, including a budget item for monitoring, must be included as part of any Project and shall cover a period of at least 5 years beyond project completion. Monitoring should continue for a longer period, but funding sources for this longer period do not need to be identified or secured at this time. An annual monitoring letter report shall be provided to the CWCB each year for a minimum of 5 years after project completion.
4. Maintenance of restored areas, which shall continue for a minimum of 5 years beyond project completion. A maintenance plan will be developed and included as part of each funded Project.

C. Multi-objective TRO control projects

Projects that meet the mandatory criteria described above and that can integrate other objectives that contribute to restoring ecological processes and protecting life and property will be given a higher funding priority. Multi-objective TRO control projects may include one or more of the following elements:

1. restore stream channel capacity and reduce flood hazards,
2. provide habitat for aquatic and terrestrial species,
3. intensive restoration of riparian areas,
4. reduce erosion,
5. improve water quality,
6. enhance recreational access, and
7. increase the capacity to utilize water through demonstrated reductions in the non-beneficial consumption of water by TRO.

D. Eligible Entities

Local governments, conservation and water conservancy districts, weed management districts, established non-profit organizations, and Colorado's two Ute Tribes are eligible. Private landowners, state and federal agencies are not eligible to receive grant funds, however projects may be conducted on private, state, or federal lands with appropriate permissions and under the sponsorship of an eligible entity. Partnership projects that include treatment of private lands and which cross jurisdictional boundaries in a coordinated manner that promote a comprehensive watershed approach are encouraged.

1. Applicants should demonstrate:
 - that there is a commitment to collaborative approaches that involves locally and/or regionally based diverse interests within the watershed in question,
 - that participation is open to all interested persons in the watershed,
 - that there is a broad based involvement in and/or support for the grant application from relevant local, state, or federal governmental entities,
 - that there is an ability to provide the appropriate in-kind or cash match for the activities proposed.
2. Applicants must have the capacity to enter into a contract with the State of Colorado and be able to furnish a valid federal taxpayer ID number.
3. Applicants are responsible for determining their ability to accept grant funds from the CWCB pursuant to any limitations established by the TABOR amendment and any other relevant laws.

E. Project Size and Duration

1. Projects must be completed within two years after grant award.
2. No single project/entity will receive more than \$200,000.
3. The CWCB will set aside a minimum of \$100,000 for projects requesting \$50,000 or less in funding to encourage smaller groups to submit projects and to help foster statewide geographic distribution of projects.
4. No project requesting less than \$10,000 will be considered.

5. Existing projects that can be configured into discrete units for accounting and performance tracking and that include all of the four mandatory elements may be considered for funding.
6. **IN NO CASE will the CWCB pay for work accomplished prior to State Controller approval of a valid purchase document.** As explained below, limited credit against the 50% minimum matching funds requirement may be met by activities performed in the 6 month period prior to the application deadline

F. Mandatory Cost Share

Projects will be funded by the CWCB on a cost-share basis.

1. CWCB funds shall not exceed 50% of the total cost of the individual project.
2. CWCB funds should be leveraged to the maximum extent possible to take full advantage of other local, private or federal (such as US Bureau of Reclamation, EPA, Army Corps of Engineers, and/or USDA) funding sources
3. Funds received from any other State of Colorado agency cannot be used to meet the 50% minimum match requirement of a TRO Control grant from the CWCB. However to the extent state funds from other agencies exceed the 50% minimum match requirement they may be used on a TRO project, but only after other non-state funds and resources fully match the CWCB's investment in the project.
4. A minimum of one half of project costs must come from non-state cost sharing, which may consist of a combination of in-kind and cash match, no more than 50% of the 50% match may be in the form of in-kind services. Overall a maximum 25% of the amount requested from the CWCB may be provided as in-kind services.
 - *Cash Match:* Actual expenditures paid directly with cash funds from the grantee to a vendor. Examples are supplies, services, and necessary equipment purchase or rental.
 - *In-Kind Match:* Services and labor provided by the paid staff of the grantee to perform all or part of the approved project scope of work, including necessary project administration. This can include standard direct and indirect personnel fringe benefits. Volunteer services provided at no cost to the grantee by firms or individuals to perform part of the approved scope of work that requires specialized or expert skill and knowledge. This will be considered paid labor and can be included as an in-kind match at local prevailing wage rates. Project specific land acquisition or access agreement costs may also be claimed as in-kind contributions and credited against the 50% minimum requirement. Costs that CAN NOT be considered include: general organizational operating costs such as utilities, general operating supplies and services, amortized costs or rental costs for buildings and equipment used for the general operation of the organization, and general property and liability insurance costs (or overhead per cent charges to cover such items). These costs are NOT reimbursable costs and may not be claimed as matching contributions.

G. Application Submittal and Format

Applications must be submitted both electronically (Adobe Reader “pdf” format) and with five hard copies meeting the following format requirements: font size: minimum 11 pt.; margins: 1 inch; maximum number of pages: 5 (excluding maps and attachments). The application shall be on a form provided by the CWCB and must include:

- Detailed map of the project area showing relevant watercourses, major land owners, infested areas and areas to be treated at a suitable scale.
- A concise statement of the existing ecological condition of the area to be treated and expected outcomes from the project. Include specific references to the watershed TRO control plan and other supporting materials.
- Detailed project budget, including matching fund sources, and provisions for ongoing monitoring and maintenance. The budget will form the basis for a grant agreement with the CWCB and the structure for future invoices.
- Project schedule demonstrating ability to complete all funded activities within 2 years. At a minimum all control and revegetation work must be completed and monitoring and maintenance programs in place prior to final payment.
- Letters of commitment from any entity identified as providing matching funds, allowing access to private property, or otherwise contributing to the essential feasibility of the proposed project.

III. Grant Evaluation Criteria

Only grant applications that conform to the application requirements set forth above in section II will be considered. Grant applications that meet these qualifications will then be evaluated by the evaluation team with respect to the following four factors:

- How *well* does the applicant meet the minimum qualifications
- Does the applicant organization have the capability to *accomplish* the proposed work?
- How effective is the proposal at accomplishing the goals of the watershed TRO control plan?
- What other objectives are achieved (Bonus or Priority considerations)

These factors will be evaluated by applying the following criteria and rating system:

A. Capacity of the Applicant (Maximum 20 points)

This factor assesses how well the applicant fits the qualifications requirements, their capacity to successfully complete all required tasks, and assesses the risk of non-performance.

- How representative of the watershed is the organization in terms of stakeholder participation and involvement as demonstrated by the applicant organization's history of working cooperatively in partnership with local land owners, other community organizations and local, state and federal agencies?
- What level of cash and in-kind match (beyond the 50% minimum) for the proposed project can the applicant organization and partners provide?
- What is the applicant organization's history of accomplishments in regards to activities similar to the proposed project?
- What *level* of staffing (volunteer or paid) does the applicant organization have available for the proposed project?
- How capable is the available staff/contractor of accomplishing the proposed project?

B. Effectiveness of the Project (Maximum 60 points)

As described in the proposal how effective is the project at accomplishing the goals of the State approved TRO control plan for the watershed?

- If the proposed project is implemented, will it have measurable results that have a significant impact on improving the health of the watershed consistent with the State approved TRO control plan for the watershed? Is the project consistent with priorities established in the plan? Are projects moving from one end of the watershed to the other in a coordinated manner? How likely is re-infestation of the project area?
- Is the proposal well thought out and complete and will the proposed implementation steps really accomplish the stated goals of the proposal.
- Is the proposed project anticipated timeline realistic?
- How effective is the proposal in furthering the CWCB's mission relative to watershed restoration and protection of water resources within the watersheds in Colorado? Will it have measurable results that have a significant impact on improving the health of the watershed?

- How well is the selected IPM (biocontrol, chemical, mechanical, etc.) method utilized? Is the IPM method chosen the most appropriate control technique for a given watershed?
- Explain any anticipated environmental compliance and permitting issues and plans to address same. For example: 404 dredge/fill, herbicide application, insect releases, NEPA, etc.

C. Multi-Objective Priority & Bonus Factors (Maximum 20 points)

- Does the project make effective utilization of labor from Colorado Youth Corps (“CYC”) or non-profit organizations? For further information about the CYC contact Jennifer Freeman at 303-863-0602 or jfreeman@cyca.org.
- Is the Project consistent with the goals for priority areas established by Colorado weed regulations, in particular the salt cedar management plan at 8CCR 1206-2 part 4?
- Does the Project include reliable method to assess and/or quantify changes in riparian hydrology as a result of control and revegetation?
- Does the project have multiple objectives?
- Does the Project encourage education (such as school field trips, volunteer recruitment, news media coverage, etc.) that increase public awareness of TRO issues?
- Project includes innovative strategy for biomass reduction/utilization.

IV. Grant Program Administration

A. Application Timeline

- Applications available: February 15, 2009
- Deadline to submit applications: April 15, 2009
- Applications evaluated and ranked: May 1, 2009
- Board selects projects for funding: May 21, 2009
- Grants awarded: May 31, 2009

B. Contact Information

Interested parties are strongly encouraged to call the CWCB to discuss potential applications. For more information, please contact:

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C. Payment Procedure

The CWCB will make periodic payments no more often than monthly. All payments will be based on invoices for work completed and must include an accounting for the required matching funds applied during the invoice period. A reasonable effort to keep matching funds and claims for reimbursement in an approximate 50-50 ratio is required. Eligible reimbursable expenses shall be limited to those items and rates in the approved budget which will be made a part of the grant contract between the applicant and the CWCB. Invoices must be accompanied by a one page narrative statement describing the work accomplished during the period, any unforeseen problems and their resolution, and demonstrating the applicant's continuing ability to complete the project on schedule and within budget.

Retainage of 10% will be held until final payment and will not be released until full completion and inspection of the project area and submission and approval of a final project report.