

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet  
Agenda Item 7a**

**Applicant:** Lower Blanco Property Owners Association

**Water Activity Name:** Lower Blanco River Restoration Project

**Water Activity Purpose:** Analysis and Construction of Structural Nonconsumptive Water Project

**County:** Archuleta County

**Drainage Basin:** San Juan River

**Water Source:** Blanco River

**Amount Requested:** \$100,000 (Southwest Basin Account)

**Matching Funds:** \$264,000

<b>Staff Recommendation</b>
The proposed project meets a nonconsumptive water supply need in the Southwest Basin and effectively leverages WSRA funds. Staff recommends approval of up to \$100,000 from the Southwest Basin Account to partially fund the Lower Blanco River Restoration Project contingent on resolution of the items in the issues/additional needs section.

**Water Activity Summary:**

The Lower Blanco River Restoration Project seeks to restore the environmental and recreational values that were severely impacted when a major portion of the river's historic flow was diverted to New Mexico to meet Upper Colorado River Basin Compact obligations. Since the San Juan-Chama Diversion project came on-line in 1971 the flow of the Lower Blanco River has been significantly reduced creating major environmental and recreational impacts. In response to impacts of the San Juan-Chama Diversion the CWCB procured an instream flow right of 21 cfs on the Lower Blanco River. The CWCB also funded a river restoration demonstration project on the river in 1992. By 2002, the project had successfully restored approximately 2.75 miles of the river. Since then, 2.25 additional miles of river restoration have been accomplished by the applicant and a private landowner with funding assistance from the NRCS, the Southwest Conservation District, and the San Juan Water Conservancy Board.

This project seeks to continue the successful restoration work on the remaining 4.0 miles of river by highly leveraging WSRA funds with NRCS funds, CWCB Fish and Wildlife Resources Fund, Archuleta County funds, and applicant contributions. The project will narrow the active channel and shape new point bars and deeper pools for improved aquatic habitat. Rock structures will be built to improve self-scouring pool forms, and to direct the flow of water into existing irrigation diversion headgates. Riparian vegetation plantings will enhance shade and terrestrial habitat conditions. Evaporation loss of water will be reduced, as will summer water temperatures. These are all important elements of improving the aquatic environment for a cold water fishery. Terrestrial cover for wildlife will be improved, and the riparian area will provide better habitat for a variety of terrestrial and amphibian species, including the spotted leopard frog, a species of concern.

The restoration will also protect and enhance existing surface and ground water rights within the Lower Blanco River Valley. By enhancing groundwater storage and reducing evaporative losses the project will help Colorado meet its Compact obligations. All of these benefits are achieved in a non-consumptive

manner without any appropriation of water. These project elements promote overall conservation of water within the San Juan Watershed. The applicant has funded preliminary engineering plans to expedite the public involvement and permit process once grant monies are procured.

#### *Threshold and Evaluation Criteria*

The application meets all four Threshold Criteria. Since the consideration of Statewide funds has been delayed until the September board meeting the project's congruence with the evaluation criteria will be assessed at that time.

#### *Funding Overview*

This application requests WSRA funding from both the Southwest Basin Account (\$100,000) and the Statewide Account (\$300,000). Due to the delay of consideration of funding from the Statewide Account, the applicant has decided to continue the project with only basin account funds at this time. The applicant has worked with staff to modify the scope of work, budget, and timeline in accordance with the funding reduction. The applicant will seek Statewide funds for the project at the September board meeting.

Grant funding in the amount of \$100,000 is requested from the Southwest Basin Account. Funding from the WSRA constitutes roughly 38% of the overall project cost (\$364,000). The balance of the project's funding includes \$25,000 of applicant contributions, \$132,000 from the CWCB Fish and Wildlife Resources Fund, \$97,000 of NRCS matching funds, and \$10,000 of Archuleta County matching funds.

#### **Discussion:**

The Lower Blanco Property Owners Association has a strong track record of successful river restoration. Similar to past work, the current project seeks to leverage multiple funding sources for maximum benefit to the basin's nonconsumptive needs as identified by SWSI 2 and the ongoing Roundtable assessment process. This application seeks to leverage WSRA funds at a nearly 3:1 ratio. The project seeks to finalize one of the oldest and best examples of river restoration projects in the State that the CWCB helped to create.

#### **Issues/Additional Needs:**

- Please include a more detailed budget and scope of work.
- Please include an updated project schedule that includes completion dates for key project milestones.
- Please consult with staff concerning the delayed application for Statewide funds

#### **Staff Recommendation:**

The proposed project meets a nonconsumptive water supply need in the Southwest Basin and effectively leverages WSRA funds. Staff recommends approval of up to \$100,000 from the Southwest Basin Account to partially fund the Lower Blanco River Restoration Project contingent on resolution of the items in the issues/additional needs section.

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

**Reporting:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the

tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

**Final Deliverable:** At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.