

**WATER SUPPLY RESERVE ACCOUNT
CRITERIA AND GUIDELINES DEVELOPED JOINTLY BY THE
COLORADO WATER CONSERVATION BOARD
AND INTERBASIN COMPACT COMMITTEE FOR THE
ALLOCATION OF FUNDS FROM THE ACCOUNT
BY THE COLORADO WATER CONSERVATION BOARD**

PART 1

Background, Introduction, and Administration

Background

Colorado's growth and development as a state has always been intertwined with water. Wise management of this resource is both a trademark of our past and is vital for our future. Development and management of water is complex, controversial, and at times contentious. Over the last few decades decisions regarding water have become increasingly complex as Colorado has experienced both unprecedented population growth and a greater emphasis on multiple uses of this precious resource.

Water users, water managers, governmental and non-governmental organization, and our citizens have worked hard to help ensure that their interests are addressed when making water resource management and development decisions. This dynamic has challenged us all to identify new approaches and collaborative solutions. Over the last few decades there have been significant efforts and many examples of successful programs to help address water resource management issues. As we look forward, we should draw upon the information and successes of the past as we strive to address future challenges and opportunities.

In the last few years state leaders and state resource management agencies have been increasingly interested in helping ensure that Colorado has an adequate water supply for our citizens and the environment. In 2003 the Colorado General Assembly authorized the Colorado Water Conservation Board (CWCB) to implement the Statewide Water Supply Initiative (SWSI). The SWSI implemented a collaborative approach to water resource issues by establishing SWSI roundtables. Membership in these roundtables represented a broad range of water user interests. The SWSI focused on using a common technical basis for identifying and quantifying water needs and issues (the report can be viewed at <http://cwcb.state.co.us/IMWD/PhaseIReport.htm>). The SWSI put forth a "picture" of where Colorado may be by the year 2030 and identified a number of important issues and questions regarding how that "picture" of Colorado fits with the values, objectives, and future goals we have for our state. SWSI identified 10 major findings and 8 recommendations which are summarized below.

SWSI Major Findings

1. Significant increases in Colorado's population-together with agricultural water needs and an increased focus on recreation and environmental uses will intensify competition for water.
2. Projects and water management processes that local municipal and industrial (M&I) providers are implementing or planning to implement have the ability to meet about 80 percent of Colorado's M&I water needs through 2030.
3. To the extent that these identified M&I projects are not successfully implemented, Colorado will see a significantly greater reduction in irrigated agricultural lands as M&I water providers seek additional permanent transfers of agricultural water rights to provide for the demands that would otherwise have been met by specific projects and processes.
4. Supplies are not necessarily where demands are; localized shortages exist, especially in headwater areas, and compact entitlements in some basins are not fully utilized.
5. Increased reliance on nonrenewable, nontributary groundwater for permanent water supply brings serious reliability and sustainability concerns in some areas, particularly along the Front Range.
6. In-basin solutions can help resolve the remaining 20 percent gap between M&I water supply and demand, but there will be tradeoffs and impacts on other users-especially agriculture and the environment.
7. Water conservation (beyond Level 1) will be relied upon as a major tool for meeting future M&I demands, but conservation alone cannot meet all of Colorado's future M&I needs. Significant water conservation has already occurred in many areas.
8. Environmental and recreational uses of water are expected to increase with population growth. These uses help support Colorado's tourism industry, provide recreational and environmental benefits for our citizens, and are an important industry in many parts of the state. Without a mechanism to fund environmental and recreational enhancement beyond the project mitigation measures required by law, conflicts among M&I, agriculture, recreational, and environmental users could intensify.
9. The ability of smaller, rural water providers and agricultural water users to adequately address their existing and future water needs is significantly affected by their financial abilities.
10. While SWSI evaluated water needs and solutions through 2030, very few M&I providers have identified supplies beyond 2030. Beyond 2030, growing demands may require more aggressive solutions.

SWSI Key Recommendations

1. Ongoing dialogue among all water interests is needed to help ensure wise management of Colorado's water resources.
2. Track and support identified projects and processes as they play a critical role in meeting Colorado's future M&I needs.
3. Develop a program to evaluate, quantify, and prioritize environmental and recreational water enhancement goals.
4. Work toward consensus recommendations on funding mechanisms for environmental and recreational enhancements.
5. Create a common understanding of future water supplies available for development in each basin.
6. Develop implementation plans towards meeting future water supply needs both for identified projects and processes and in areas where there are no identified plans to meet future needs.
7. Assess potential new state roles in implementing solutions.
8. Develop requirements for standardized annual M&I water use data reporting.

Based on these findings and recommendations and dialogue among all water interests, CWCB identified three broad conclusions: 1) there is a need to help expedite the implementation of water management projects for all water needs; 2) projects and planning processes needed to meet Colorado's future water needs must address transfers and development of water in a manner that meets multiple interests and needs; and 3) there is strong desire for the state to provide financial assistance.

These criteria and guidelines were developed based on information that the Interbasin Compact Committee (IBCC) and CWCB have learned from the SWSI and stakeholder feedback obtained during that process, input from the Basin Roundtables, and information from other important studies and programs that the CWCB has implemented and administered over the years.

While the SWSI was the most comprehensive statewide water study undertaken to date the SWSI could not provide all the answers to the water resource issues that have challenged Colorado for decades; nor could it foresee all the emerging and changing needs and issues. Additional information and updating and refinement of data will be critical to ensure that we make wise resource management decisions.

In 2005, to further the efforts of the SWSI and to help address water development needs in Colorado, the Colorado General Assembly passed the "Colorado Water for the 21st Century Act" (House Bill 05-1177) which in part established permanent water roundtables in 8 river basins and the Denver metro area. Throughout these two efforts there has been a clear recognition of the need for financial assistance to address water challenges in our state. It was recognized that a new program would be needed to assist all water users in addressing their critical water supply issues and interests. This understanding led to the passage of Senate Bill 06-179.

Senate Bill 06-179 adopted by the 2006 General Assembly, created the Water Supply Reserve Account (Account). The legislation directs the State Treasurer to annually transfer ten million dollars from the Operational Account of the Severance Tax Trust Fund to the Account. The effective date of the legislation is July 1, 2006. Any balance remaining in the Account at the end of any fiscal year shall remain in the Account. Senate Bill 09-106 removed a sunset provision and provides for continuous appropriation of \$10 million (subject to availability).

As specified in the statute, the monies in the Account are continuously appropriated to the CWCB for water activities identified in Section 39-29-109(1) (a) (III), Colorado Revised Statutes (C.R.S.). The legislation states that the CWCB, in consultation with the Interbasin Compact Committee (IBCC) created in Section 37-75-105, C.R.S., shall jointly establish criteria and guidelines for allocating moneys by grant or loan from the Account. This document establishes the criteria and guidelines developed jointly by the IBCC and the CWCB which will be used by the CWCB to allocate funds from the Account. Amendments to this document may be proposed at any time by either the IBCC or the CWCB and shall be effective after an annual program review each October and subsequent approval by both bodies.

Introduction

Applications will be accepted for grants or loans and these criteria and guidelines are for both grants and loans. These criteria and guidelines do not distinguish or establish preference for allocating money for grants versus loans. In all cases the merits of the water activity itself will be the basis for eligibility and evaluation. It is the goal of the CWCB and IBCC to ensure wise and effective use of monies from the Account

In regard to loans, the CWCB utilizing these jointly developed criteria and guidelines will allocate 0% interest loans from the Account AND offer a match to these loans with low interest loans (at or below the rate of inflation) from the CWCB perpetual base account. SB 09-106 provides that repayments of both the principal and interest on loans from the account shall be credited to the account.

Grant and Loan Program Administration

Role of the Interbasin Compact Committee (IBCC):

- Jointly (with the CWCB) develop criteria and guidelines for allocating funds from the Account.
- Annually review information regarding the Account.
- In October of each year jointly (with the CWCB) consider and make any necessary revisions to these criteria and guidelines.
- Work with Basin Roundtables (BRT) to develop local roundtable criteria and guidelines for approving and recommending water activities that, following recommendations by the respective BRTs, will be eligible to seek funding from the Account.
- Help ensure that data and information from the basin roundtable's consumptive and non-consumptive needs assessments, SWSI and other appropriate sources are used as the technical basis for requesting funding for a water activity.

Role of the Basin Roundtables (BRT): The term Basin Roundtable shall mean those roundtables established pursuant to Section 37-75-104 C.R.S.

- Implement outreach and public education regarding the existence and use of the Account.
- Approve water activities that are to be recommended to CWCB for funding. The approving BRT shall be the roundtable for the basin in which the proposed water diversion or nonstructural activity would occur.
- Provide input and comment to the CWCB and IBCC for the annual review of these criteria and guidelines.
- As required under 37-75-104 CRS, develop a consumptive and nonconsumptive needs assessment and forward to the IBCC and other basin roundtables for consideration.

Role of the CWCB:

- Jointly (with the IBCC) develop criteria and guidelines for allocating funds from the Account.
- Annually review information regarding the Account.
- In October of each year jointly (with the IBCC) consider and make any necessary revisions to these criteria and guidelines.
- Implement outreach and public education regarding the existence and use of the Account. The CWCB in conjunction with the IBCC and BRTs will work to ensure a high level of awareness of the existence of the Account and the process to apply for funds. This effort will include but is not limited to: notice and discussion at roundtable meetings; inclusion of relevant information on the CWCB website; press releases; promotion at workshops; public meetings, and conferences.
- Ensure that the Account is managed consistently with state statutes, applicable state fiscal rules, and the IBCC and CWCB jointly developed criteria and guidelines.
- Review applications and allocate monies from the Account based on recommendations from the BRTs in accordance with the IBCC and CWCB jointly developed criteria and guidelines.
- Enter into contracts with the selected entities and ensure that the water activity identified in the application and work plan is implemented within the time and budget identified in the application.
- Ensure that sound fiscal, fiduciary and accounting practices are implemented. CWCB staff will handle the day-to-day administration of the Account. This effort includes but is not limited to: notification to successful and unsuccessful applicants; review of requests for payment, disbursement and tracking of payments, tracking project progress, ensure proper documentation of completed project/water activity; and preparation of an annual report of activities and expenditure from the Account.

Payment – Payment will be made based on actual expenditures and invoicing by the water activity sponsor. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire

water activity budget will be withheld until final project/water activity documentation is completed.

PART 2

Grant and Loan Program Eligibility and Application Process

Overview of the Account and Fund Management

To help ensure opportunities for BRTs to seek funding in an orderly fashion and at the same time to encourage competitive water activities from every river basin the CWCB will administer two accounts. There will be a Statewide Account that will be used to fund water activities from any roundtable on a competitive basis based on the eligibility requirements in this section and the threshold and evaluation criteria outlined in Part 3 of this document. There will also be Basin Accounts for each of the 9 roundtables. The Basin Accounts will be used to fund water activities from the designated BRTs based on the eligibility requirements in this section and the threshold criteria outlined in Part 3 of this document.

The table below summarizes the funding and cash management strategy to be used to administer the Account.

Funding Source	Accounts	July 06	July 07	July 08	July 09	July 10
State Treasurer Transfers		\$10 million	\$6 million ↓	\$10 million ↓	\$5.8 million ↓	\$10 million
	Statewide Account	\$5.5 million available (after transfer of \$4.5 million to basin accounts)	\$4.2 million added to any remaining balance (transfer additional \$1.8 million to basin accounts)	\$7.3 million added to any remaining balance	\$4.2 million added to any remaining balance	TBD
	Basin Account(s)	\$4.5 million (\$500K/basin)	\$1.8 million (\$200K/basin)	\$2.7 million (\$300K/basin)	\$1.6 million (\$173K/basin)	TBD
Notes: <ul style="list-style-type: none"> • Monies from the Statewide Account will be allocated in September of each year based on the eligibility requirements and threshold and evaluation criteria outlined in this document. • Monies from the Basin Accounts will be allocated at the Colorado Water Conservation Board's (CWCB's) bimonthly Board meetings based on the eligibility requirements and threshold criteria outlined in this document. • The above cash management schedule will remain flexible to ensure that funds are available for water activities. The CWCB will strive to ensure that funding is available for each funding cycle, while at the same time addressing applications to fund water activities. • The WSRA Subcommittee will decide how to allocate funding appropriated for the upcoming Fiscal Year at their annual October meeting. 						

Allocation of funds between Basin and Statewide Accounts: On July 1 of each year, \$300,000 will be allocated to each Basin Account (\$2.7 million total) and the remaining \$7.3 million will be allocated to the Statewide Account. If the annual funding is other than \$10,000,000, the Statewide Account will receive 73% and the aggregate Basin Accounts will receive 27%. The subcommittee agreed to revisit this item each year.

Eligibility Requirements

Senate Bill 06-179 is very specific regarding eligibility requirements and these criteria and guidelines are developed from the direction provided in the legislation. In order for a water activity to be eligible for funding it must: 1) be approved by a roundtable pursuant to article 75 of title 37, C.R.S. and the approving roundtable shall be the roundtable for the basin in which the

proposed water diversion or nonstructural activity would occur; 2) meet the eligibility categories described below; and 3) be approved by the CWCB utilizing the criteria and guidelines jointly developed by the IBCC and CWCB. The legislation also emphasizes that the criteria and guidelines shall help meet the water needs identified by the SWSI and other appropriate sources. Eligible Water Activities, as identified in Senate Bill 06-179, include the following:

- Competitive grants for environmental compliance and feasibility studies;
- Technical assistance regarding permitting, feasibility studies, and environmental compliance;
- Studies or analysis of structural, nonstructural, consumptive, and nonconsumptive water needs, projects, or activities; and
- Structural and nonstructural water projects or activities.

All request(s) for funds will be evaluated by CWCB utilizing the criteria and guidelines jointly developed by the IBCC and CWCB. The evaluation process is described in Part 3.

Eligible entities that may apply for grants or loans from the Account include:

- Public (Government) - municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if the proposed project provides significant benefits to Colorado and the federal agency can make a compelling case for why a local non-federal partner cannot be the grant recipient.
- Public (Districts) - special, water and sanitation, conservancy, conservation, irrigation, and water activity enterprises
- Private Incorporated - mutual ditch companies, homeowners associations, and non-profit corporations
- Private - individuals, partnerships, and sole proprietors are eligible for Basin Funds but are not eligible for Statewide Funds.
- Non-governmental organizations - are broadly defined as any organization that is not part of the government. These organizations are typically non-profit but they also include for-profit corporations.
- Covered Entities* are eligible for grants or loans only if the applicant has adopted a water conservation plan, as defined in Section 37-60-126 C.R.S.

* "Covered entity," as defined in Section 37-60-126 (1)(b), means each municipality, agency, utility, including any privately owned utility, or other publicly owned entity with a legal obligation to supply, distribute, or otherwise provide water at retail to domestic, commercial, industrial, or public facility customers, and that has a total demand for such customers of two thousand acre-feet or more.

Application Process

To help ensure that water activities move forward in an expedited fashion all eligible applications received will be evaluated and selected based on these criteria and guidelines within the applicable funding cycle. However, to help promote the equitable and competitive allocation of funds it is important to allow sufficient time for applications to be submitted and reviewed. This will allow the greatest opportunity to competitively compare multiple applications and allocate available funds to those water activities that will provide the greatest benefit to Colorado. In preparing the application it is recommended that the applicant include a description of how the water activity meets each element of the criteria that will be used by CWCB to evaluate and select the water activity. The approving roundtable that is seeking funding for a water activity must specify whether the request is for funds from the Statewide Account or for funds from the Basin Account(s).

Applications can be submitted at anytime. For the Statewide Account, the CWCB will make decisions for allocation of funds at its September meetings. For the Basin Accounts, the CWCB will make decisions for allocation of funds at its bimonthly Board meetings.

Notification of award will be made in writing within 30 days after the applicable Board meeting and the notification will include a summary of the results of the evaluation process and decision of the CWCB. Notification to unsuccessful applicants will be made in writing within 30 days after the applicable Board meeting and the notification will include a summary of the results of the evaluation process and the decision by the CWCB.

Successful applicants are expected to execute a contract with CWCB within 6 months of award of a loan or grant. If a grant or loan is not executed within this timeframe, staff may recommend to the CWCB that the funds be reverted back to the respective accounts based on lack of due diligence.

Application Submittal Requirements

To apply for a grant or loan from the Statewide Account a detailed application must be received by the CWCB no later than 60 days prior to the CWCB's May and September meetings. To apply for a grant or loan from the Basin Accounts a detailed application must be received by the CWCB no later than 60 days prior to the Board meeting that the roundtable would like the CWCB to evaluate the applicants funding request. CWCB's review and analysis of the application, utilizing the criteria and guidelines, will form the basis upon which the decisions to fund, partially fund, or not fund the water activity will be made. Therefore, applicants should prepare their application to address these criteria and guidelines.

For those applicants seeking a grant, an application form is provided as Attachment A to this document. The applicant should include with its grant application a summary of how the applicant's water activity meets the eligibility requirements in Part 2 and the threshold and, if applicable, the evaluation criteria in Part 3 of this document. Application forms may also be obtained via the web at <http://cwcb.state.co.us/IWMD/>.

For those applicants seeking a loan, a CWCB standard loan application form and loan feasibility study must be completed. In addition, the applicant should include with its loan application a summary of how the applicant's water activity meets the eligibility requirements in Part 2 and the threshold and, if applicable, the evaluation criteria in Part 3 of this document. The loan application form and additional information can be found at <http://cwcb.state.co.us/NR/rdonlyres/6949F16A-0FA3-4AB6-B8B2-EDCD8125C7CA/0/LoanApplication.pdf> and <http://cwcb.state.co.us/NR/rdonlyres/0CB4D80B-667D-4A86-8127-F3A9A19156AD/0/LoanProgramGuidelines.pdf>.

The following paragraphs provide a general overview of the information that is needed to complete a grant application. The actual grant application form will provide the step- by- step process for applying for a grant. **The grant application form should be filled out using both the general information provided below and the specific directions provided on the application form.**

Application information and requirements may vary depending upon the scope and objective of each water activity funding request. The applicant/water activity sponsor is encouraged to discuss the application with CWCB staff if any questions arise.

- **Description of Applicant (Water Activity Sponsor and any partners)**

Each application for funding should include a description of the entity (see page 8 for eligible entities) that is sponsoring or pursuing the water activity. The applicant/sponsor may be a public or private entity. Given the diverse range of potential water activities and applicants/sponsors, not all of the following information may be relevant. Where applicable and relevant the description should include the following:

- Type of organization, official name, the year formed, and the statutes under which the entity was formed, a contact person and that person's position or title, address and phone number. For private entities, a copy of the Articles of Incorporation and By-laws should be appended to the application.
- For waters suppliers, information regarding the number of customers, taps, service area, and current water usage, and future growth plans, water related facilities owned or used, funding/revenue sources (existing service charges, tap fees, share assessments, etc.), the number of members or shareholders and shares of stock outstanding or a description of other means of ownership.

- For other entities, background, interest and capacity, organizational size, staffing and budget, and funding related to water that is relevant in determining whether the applicant has the ability to accomplish the water activity for which funding is sought.
- A brief history of the applicant(s).

Background

Purpose

This section provides a brief overview of the water activity, including the type of water activity and amount of funding being requested, and a statement of what the water activity is intended to accomplish. It should describe the need for the water activity, the problems and opportunities to be addressed, the expectations of the applicant(s), and why the water activity is important to the applicant(s). It should also discuss relevant project history, if applicable, and any other relevant issues. This section should also contain the information from the approving roundtable including a description of the results of the BRTs evaluation of the water activity. At a minimum, the description must include a description of the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached and which group(s) opposed the activity and why they opposed it. A letter of support signed by the chair of the roundtable must be included.

Study Area Description

The study area/service area is generally the geographic area benefited by the proposed water activity. The description should include the following items:

1. A narrative description of the study area/service area to include the county, the location of towns or cities, topography, and locations of major surface and ground water features.
2. An area map showing each of the items above, as well as the locations of existing facilities, proposed project facilities and boundaries of lands benefited by the water activity.
3. Socio-economic characteristics of the area such as population, employment and land use. For irrigation projects, the tabulation should provide a description of cropping patterns and crop yields on existing agricultural lands.

Previous Studies

To the maximum extent possible, the results of any previous studies and investigation should be utilized and incorporated into the proposed water activity. The application for funding should include a brief summary of the results of previous studies and how they will be utilized.

Scope of Work

The application must provide a summary of the scope of work. The scope of work is a detailed summary of how the project or water activity will be accomplished. The scope of work must include a description of the activities and tasks that will be undertaken, logistics, and final product/deliverables to be produced at the completion of the grant or loan activity. Information that should be in the scope of work includes the following:

- Detailed summary of the water activity.
- Description of the goals of the water activity and how the water activity will accomplish those goals.
- Description of how the work will be accomplished and major deliverables/products.
- A list of participants and their qualifications to accomplish the project/water activity.
- A detailed budget by activity, level of effort, and rates. The budget shall also detail the source and amount of matching funds and/or in-kind contributions, if any. If applicable, the budget should also include any other outstanding or previously applied for funding that also supports the water activity.
- A detailed project schedule including key milestones.

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.

PART 3

Evaluation Process by the CWCB for Allocation of Funds

Allocation of funds will be dependent on availability of funds and an evaluation of the water activity using the criteria in this section. Applications will be received during each funding cycle. The approving roundtable will specify whether the application for funding is from the Statewide or Basin Accounts.

For the Statewide Account - applications must be received 60 days prior to the September Board meeting. Applications for funds from the Statewide Account will submit applications consistent with the application submittal requirements and these criteria and guidelines. If the application meets the eligibility requirements and threshold criteria then the application will undergo future evaluation using the evaluation criteria.

Matching Requirement: For requests from the Statewide Fund, the applicants will be required to demonstrate a 20 percent (or greater) match of the total grant request from the other sources, including by not limited to Basin Funds. Recognizing the limited resources of some entities, in-kind services will be eligible as matching funds. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the application was submitted to the CWCB.

For the Basin Account(s) - applications must be received 60 days prior to the bimonthly Board meetings in which the application will be considered for funding. Applications for funds from the Basin Account will submit applications consistent with the application submittal requirements and these criteria and guidelines. If the application meets the eligibility requirements and threshold criteria and there are sufficient funds in the Basin Account, then the CWCB will approve the application(s).

CWCB staff will review all eligible applications and provide a written recommendation to the full CWCB Board at their routine applicable Board meetings. CWCB staff will provide a written recommendation to the Board for allocating funding. The written recommendation will provide a summary detailing how the applicant met the eligibility requirements and evaluation criteria described in this document. The CWCB staff and Board will also provide a summary of why each application is being funded, partially funded or not funded. The following criteria are not provided in any order of preference.

Threshold Criteria – the following criteria must be met in order for an application to be funded out of a Basin Account or to undergo further evaluation from the Statewide Account.

1. The water activity meets the eligibility requirements outlined in Part 2 of these criteria and guidelines.
2. The water activity is consistent with Section 37-75-102 C.R.S.¹
3. The water activity underwent an evaluation and approval process and was approved by the BRT and the application includes a description of the results of the BRTs evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it.
4. The water activity meets the provisions of Section 37-75-104 (2) (c), C.R.S.² The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

¹ 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law.

(2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

² 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

Evaluation Criteria – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria.

Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).
- e. The applicant must demonstrate its ability to implement the proposed activity.
- f. The applicant is providing matching funds and the amount of matching funds or is obtaining partial funding from other sources and the amount and source of such other funds or is providing demonstrable in-kind contributions.

Tier 3: The Water Activity Addresses Issues of Statewide Value and Maximizes Benefits

- g. The water activity helps sustain agriculture, and open space, or meets environmental or recreational needs.
- h. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- i. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- j. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- k. The water activity is complimentary to or assists in the implementation of other CWCB programs.

For additional information, questions or assistance please contact Todd Doherty, Water Supply Planning Section (Colorado Water Conservation Board), at (303) 866-3441 ext.3210 or email Todd at todd.doherty@state.co.us.