

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet  
Agenda Item 32.a.**

**Applicant:** Lower South Platte Water Conservancy District

**Water Activity Name:** Lower South Platte Water Cooperative Organizational Analysis

**Water Activity Purpose:** Non-Structural Activity

**County:** Multiple

**Drainage Basin:** South Platte

**Water Source:** South Platte River

**Amount Requested:** \$260,977

**Source of Funds:** Statewide (\$200,000) and Basin (\$60,977) accounts

**Matching Funds:** Yes (approximately 50% of Statewide request)

<b>Staff Recommendation</b>
Staff recommends approval of up to \$200,977 from the Statewide account and \$60,977 from the South Platte Basin Account to help complete the Lower South Platte Water Cooperative Organizational Analysis.

**Water Activity Summary:**

This project will research, analyze and formulate best fit alternatives for the organizational structure of a potential Water Cooperative in the area of the Lower South Platte River. The initial formation of a new organization would encompass water users within Water Districts 1 and 64 (Kersey to the CO-NE Stateline). The Water Cooperative, if successfully implemented would help manage and retime excess augmentation water available within the area via leases and exchange operations (using current water law, existing water rights, and new water right applications). In addition, the Water Cooperative could potentially serve as an organization to help manage members' direct flow and reservoir water, via leases and exchange operations (using alternative agriculture transfer methods and existing and new change of use water rights) without injury to other water rights. Preparing, filing, and pursuing any necessary water court applications are not a part of this scope of work and grant application request.

Funding from this grant will be used toward the analysis and determination of water law and water rights issues related to the Water Cooperative in order to identify and prevent injury to other water rights within the basin from the operations described above. This project will also research and determine the best fit for operational planning for the Water Cooperative. Please note that extensive engineering and economic work will need to be conducted for a comprehensive analysis of a viable and best fit operations plan. The Steering Committee plans to apply for Alternative Ag Transfer Method Grant Program (ATM program) funding to complete this comprehensive operational planning analysis. Should the ATM program application be successful, work under this WSRA program will evaluate comprehensive operational planning developed under the ATM program in tandem with best fit organizational alternatives developed through this grant. However, should the ATM program application be unsuccessful, work under this WSRA program will develop a conceptual level operations plan for the Water Cooperative. Finally, funding for this project will be used to develop guidelines and an overall summary of potential options for the organizational structure of a new water cooperative. Water users and other interested parties will be provided with

best fit alternatives that summarize estimated costs, benefits, impacts, risks and other issues associated with each alternative. Members of the Steering Committee and consulting team will initiate and facilitate meetings with interested water users to discuss and evaluate these options. Draft organizational documents will be prepared for evaluation by water users to the point of potential initiation of such an organization.

**Discussion:**

The initial phase of this project received funding under a grant awarded by the Board under the first round of the ATM program (Colorado Corn Growers Association). The purpose of that effort was to determine the feasibility of transferring, retiming and exchanging excess augmentation credits on the lower South Platte River. Staff is very supportive of this project as it seeks to move the concept from the feasibility stage into the development/scoping phase and design an organization that can work towards the optimization of the limited water supply in the South Platte River. It should be noted that the applicants have gained the support of numerous ditch companies throughout the reach, many of them contributing money as a cash match for the program. If successful, the water cooperative could provide water for a wide variety of uses such as improving local agricultural shortages, augmentation purposes and municipal and industrial. The applicant did a great job of explaining how this project meets the statewide evaluation criteria.

**Issues/Additional Needs:** Staff is aware that the project team and DWR have been working to develop an accretion model for this area. Staff recommends that the applicant coordinate with the DWR and CWCB to ensure compatibility and consistency in these efforts.

**Staff Recommendation:**

Staff recommends approval of up to \$200,977 from the Statewide account and \$60,977 from the South Platte Basin Account to help complete the Lower South Platte Water Cooperative Organizational Analysis.

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.

**Engineering:** All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.