

**Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
Agenda Item 25.d**

Applicant: Grand County

Water Activity Name: Gore Canyon Whitewater Park at Pumphouse – Colorado River

Water Activity Purpose: Structural Water Project

County: Grand

Drainage Basin: Colorado River

Water Source: Colorado River

Amount Requested: \$500,000

Source of Funds: \$400,000 (Statewide Account) and \$100,000 (Basin Account)

Matching Funds: The total project cost is estimated to be \$1,686,114, of which \$1,190,700 is for actual construction. Grand County has committed to providing \$600,000 or just over 35% to the total project cost. Grand County has already invested \$495,414 in the project, although only about \$40,000 of those funds have been spent in the 9 months prior to submission of the application as is required to be eligible for sponsor match. Grand County has an additional \$60,000 in funds ready to begin construction, making the eligible match from the project sponsor a total of \$100,000. This matching amount exceeds the matching requirements of 5% and 20% for Basin and Statewide funds, respectively.

Grand County is seeking 6% of the total project cost from the Colorado Basin Fund and 23% of the total project cost from the Statewide Fund. Additionally, Grand County is currently implementing plans to raise the remaining 35% (\$600,000) of the costs from boaters and other recreation industry partners, but does not have these commitments at this time.

Staff Recommendation
Staff recognizes that the request for \$100,000 from the Colorado Basin Account has met all of the eligibility requirements and threshold criteria of the WSRA grants from the basin roundtable account, and therefore suggests that the Board approve the request to use the WSRA Colorado River Basin Account to help fund the Gore Canyon Whitewater Park at Pumphouse.
Staff defers to the CWCB Board as to whether to approve up to \$400,000 from the Statewide Account for this project. Use of Statewide Account dollars for construction of a whitewater park, which will likely have a decree for an RICD associated with the whitewater park, has never been approved by this Board; as such, this is a policy decision for the Board to decide.

Water Activity Summary: The purpose of this project is to construct a Gore Canyon Whitewater Park at Pumphouse on the Upper Colorado River in Grand County. This includes heavy construction in the river, bank work and re-vegetation associated with the development of the structures that create the waves and other hydraulic features of the park. This ‘park and play’ Whitewater Park is in an existing BLM recreational site and will provide access for play boating between the Class IV section of Gore Canyon and the Class II/III section from Pumphouse to State Bridge.

The RICD water right application associated with this project is currently going through water court. The CWCB Board made findings of fact related to the RICD through Gore Canyon at its March 2012

meeting as required pursuant to the CWCB's statutory authority. Additionally, the CWCB Board stipulated to a proposed decree for this RICD at its November 2012 meeting. This stipulation has been executed.

The many letters submitted to CWCB during the RICD hearing indicate an interest across the state for using this amenity. The main objective of the project is to complete the construction of the structures in accordance with the design so that the Gore Canyon Whitewater Park will perform as anticipated and fill the nonconsumptive recreational needs of the Upper Colorado River.

Threshold and Evaluation Criteria. The application meets all five Threshold Criteria.

The application meets the Evaluation Criteria in the following way:

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

- a. Multipurpose:** Some concern was expressed during discussions with the Metro Roundtable that the RICD itself could foreclose the Green Mountain Pumpback as a potential future transbasin project. To address this concern the following language was included in the stipulated RICD decree:

“Subject to the Colorado River Cooperative Agreement (“CRCA”) among Grand County, Denver Water and other West Slope Signatories, Grand County and the CWCB agree to negotiate in good faith concerning the mutual benefits of operations and opportunities to provide water to the RICD Water Rights and to any future Upper Colorado River Cooperative Project as defined in the CRCA: ‘A water supply project located on the West Slope, agreed to by Denver Water and the West Slope Signatories to this Agreement, and designed to produce water for use on the East and West Slopes, including at least 20,000 acre-feet of average annual diversions for use on the East Slope.’”

While the grant itself is focused on meeting recreational needs, viewed in this context of the CRCA, the overall project and RICD addresses the concerns of the Metro Roundtable.

This project also supports the collaborative Wild & Scenic Stakeholder Group process and helps protect the Outstandingly Remarkable Value (ORV) for recreational float boating in segments 4 and 5 of the Upper Colorado River.

- b. Collaboration & Cooperation:** There are a large array of support letters and funders for this project. As indicated above, over 100 letters of support for the RICD from boaters are on file with the CWCB. In addition, letters of support for this funding application have been provided to the CWCB and are attached.

Further, the applicant indicates that the RICD application is supported CRCA agreement. The agreement states:

“Support for RICD. If information made available on the locations being considered, the impacts to the Wild and Scenic River issues, and the purpose and amount of the filing demonstrate the lack of an impact on Denver Water’s operations, Denver Water agrees not to oppose a Recreational In-Channel Diversion (“RICD”) filing for the Colorado River below Gore Canyon in the Pumphouse reach above the Grand/Eagle County line.”

Northern Colorado Water Conservancy District and Grand County formally entered into the Windy Gap Firming Project Intergovernmental Agreement (WGFP IGA) on December 6, 2012 and a 1041 Permit was issued for the Windy Gap Firming Project. The agreement states:

“The Parties acknowledge that Grand County intends to time such releases for beneficial use in a manner that results in optimizing the benefits to aquatic and recreation resources within the County...”

- c. **Meets Defined Needs:** This project has been identified as an important part of the area’s recreational needs by a number of parties, and this reach is included in the Colorado Basin’s nonconsumptive needs assessment and as part of Grand County’s Stream Management Plan, which was partially funded through WSRA grants.

Tier 2: Facilitating Water Activity Implementation

Funding will likely reduce the uncertainty that the project will be implemented. According to the budget, there will be \$690,700 of matching funds spent on this project during construction and for operation and maintenance, representing 138% of the grant requests. Further, the applicant has spent \$495,414 since 2004 to bring the project to the point of implementation. This demonstrates a significant and appropriate commitment.

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

The project will help meet recreational needs. However, this would be the first application for statewide dollars for funding a whitewater park for recreational purposes. Attached is a letter to the CWCB Board from Grand County dated December 18, 2012. This letter presents Grand County’s arguments as to why they believe this project qualifies for Statewide funds.

Discussion:

After careful review by several staff, there have been several points of discussion. These include:

- 1) The timing of the grant is prior to the issuance of a RICD decree by the water court. However, a whitewater park does not require a decree per se.
- 2) Not all project funds have been fully secured at this time. Grand County should secure adequate matching funds for the project as specified in the scope of work prior to initiating project construction.
- 3) The use of Statewide account dollars for construction of a whitewater park, which will likely have a RICD decree associated with it, is a policy decision for the Board to decide.

Issues/Additional Needs:

See recommendation below.

Staff Recommendation:

Staff recognizes that the request for \$100,000 from the Colorado Basin Account has met all of the eligibility requirements and threshold criteria of the WSRA grants from the basin roundtable account, and therefore suggests that the Board approve the request to use the WSRA Colorado River Basin Account to help fund the Gore Canyon Whitewater Park at Pumphouse.

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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.