

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, Deputy Director, Resource Management

DATE: January 17, 2014

SUBJECT: **Agenda Item 18a, January 27-28, 2014 Board Meeting**
Construction Fund Non-Reimbursable Investment
Alternative Agricultural Water Transfer Methods
Statewide Competitive Grant Program

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

Recommendation

Staff recommends that the Board request the General Assembly to authorize \$750,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB to fund the Alternative Agricultural Water Transfer Methods—Statewide Competitive Grant Program to continue the support of critical projects and activities that advance methods providing for alternatives to permanent transfer of agricultural water rights to urban areas for municipal and industrial uses.

Background

Staff is requesting funding for the Alternative Agricultural Water Transfer Methods—Statewide Competitive Grant Program in the amount of \$750,000 to continue the support of critical projects and activities advancing alternatives to permanent transfer of agricultural water rights to urban areas.

The 2007, Legislature authorized the CWCB to develop a competitive grant program to advance various agricultural transfer methods as alternatives to permanent dry-up in the Arkansas and South Platte Basins (authorized under SB 07-122). Additional appropriations were made in 2009 for \$1.5 million, and 2011 for \$1 million to continue the advancement of alternative agricultural water transfers. Since its inception, the CWCB's Alternative Agricultural Water Transfer Methods Grant Program has awarded over \$3 million to various water providers, ditch companies, and university groups to help support a variety of projects to study and further various alternative water transfer methods, including rotational fallowing, Interruptible Service Agreements (ISAs), water banks, purchase and leasebacks, pilot projects, deficit irrigation, and changing crop types. The \$750,000 proposed appropriation will refresh the current account balance to approximately \$1 million.