

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

John W. Hickenlooper
Governor

FROM: Craig Godbout, Program Manager
Water Supply Planning Section

Mike King
DNR Executive Director

DATE: March 5, 2014

James Eklund
CWCB Director

SUBJECT: **Agenda Item 17, March 18-19, 2014 Board Meeting
Water Supply Reserve Account Grant Program**

Staff Recommendation

A summary of staff's recommendation for each WSRA application is provided in the attached table. If applicable, the table also includes a breakdown of match amounts for applications that include a request for statewide WSRA funds. For clarity, the table includes all WSRA requests to be considered at this meeting.

At this Board meeting, one WSRA applicant is seeking re-authorization of WSRA Statewide grant based on a revision to the original Scope of Work. This will be considered in Agenda Item 33.

Favorable recommendations may be contingent on providing the CWCB with additional information, clarifications, or modifications in the scope of work. Please refer to the Water Activity Summary Sheets contained within this agenda item to find a summary of staff's review and any conditions associated with each recommendation.

Due to the recent trend in the aggregate Basin Account balances (rising) in relationship to the Statewide Account balance (falling) the latest statewide WSRA applications included a significant amount of total funding requests that far exceed the amount available currently in the account. As such, staff surmised and recommends, in coordination with the Basin Roundtables, that an appropriate course of action would be to delay action on the individual applications until staff and CWCB have resolved this issue.

Background

For this agenda item the Board is provided with a brief overview of applications to the Water Supply Reserve Account (WSRA). Attachments to this memo include:

- Summary spreadsheet detailing funding requests for the basin and statewide accounts;
- Summary spreadsheet displaying current WSRA Balance Summary of Fund Appropriations and Receipts by Fiscal Year, and Fund Distribution by Basin and Statewide Account.

- Water Activity Summary Sheets which provide an overview, discussion, issues/additional needs, and staff recommendation regarding funding, partial funding, or not funding the applications.

Staff's review of the applications involves the following steps:

- 1) Applications are reviewed for completeness based on the information requirements, which are primarily outlined in Part 2 of the Criteria and Guidelines (C&G).
- 2) Applications are reviewed to verify that the water activity meets the **eligibility requirements** in Section 39-29-108 (III) C.R.S. (C&G, Part 2) and the **threshold criteria**, which are based on the requirements of Section 39-29-108 (III) C.R.S., and two sections of the Water for the 21st Century Act (House Bill 1177); Section 37-75-102 and Section 37-75-104(2)(c) (C&G, Part 3). Staff also verifies that the applicant was an **eligible entity** to receive funding (C&G, Part 2).
- 3) Staff then prepares the Water Activity Summary Sheet which documents the outcome of the review process and contains staff's recommendations.

Water Supply Reserve Account Balance Summary and Project Status Report

To provide the Board updates on the status of specific Water Supply Reserve Account grant applications and projects, staff provides a status report in the CWCB Director's Report. The WSRA status report includes the following information:

- List of completed WSRA projects;
- List of WSRA projects in progress; and
- List of WSRA projects in the contracting and procurement process.

Water Supply Reserve Account Applications for Consideration at the CWCB March 2014 Board Meeting												
Agenda Item	Basin	Applicant	Name of Water Activity	Basin(s) Account Request	Statewide Account Request	Total Request	Cash Match	In-Kind Match	Total Match	Staff Recommendation	Notes	PM
17a	South Platte & Metro	Metro Wastewater Reclamation District	South Platte River Diurnal Flow Study	\$50,000	\$0	\$50,000	\$27,185	\$0	\$27,185	Staff recommends approval of \$50,000 from the South Platte Basin Account, and \$50,000 from the Metro Account		Joe Busto
				\$50,000	\$0	\$50,000						
17b	Arkansas	Huerfano County Water Conservancy District	Red Wing Augmentation Facility	\$50,000 (Delayed)	\$200,000 (Delayed)	Delayed						Anna Mauss
17c	Arkansas	Pikes Peak Regional Water Authority	Arkansas Basin Implementation Plan: Section 2.1, Nonconsumptive Needs; Section 4.1 Education, Participation and Outreach; and Section 4.7 Nonconsumptive Projects and Methods	\$58,750	\$0	\$58,750	\$6,750	\$0	\$6,750	Staff recommends approval of \$58,750 from the Arkansas Basin Account		Brent Newman
17d	Colorado	East Mesa Water Company	East Mesa Water Company Tunnel Bypass Pipeline	\$60,000	\$0	\$60,000	\$490,000	\$0	\$490,000	Staff recommends approval of \$60,000 from the Colorado Basin Account	This project has an existing CWCB Loan	Craig Godbout
17e	Gunnison	City of Gunnison	Gunnison River Riparian and Diversion Restoration Project	\$45,540	\$40,0752 (Delayed)	\$45,540	\$54,540	\$273,108	\$327,648	Staff recommends approval of \$45,540 from the Gunnison Basin Account, and delay the Statewide Account request		Chris Sturm
17f	Gunnison	Colorado River Water Conservation District	NoChicoBrush Agricultural Water Research Project	\$35,000	\$55,000 (Delayed)	\$35,000	\$219,000	\$16,000	\$235,000	Staff recommends approval of \$35,000 from the Gunnison Basin Account, and delay the Statewide Account request	The applicant may return at a later date for an ATM Grant submission	Craig Godbout
17g	Southwest	Animas Valley Ditch and Water Company	Animas Valley Ditch and Water Company Emergency Repair	\$30,000	\$0	\$30,000	\$0	\$0	\$0	Staff recommends approval of \$30,000 from the Southwest Basin Account		Craig Godbout
17h	Southwest	La Plata County Palo Verde Public Improvement District #3	La Plata County Palo Verde Public Improvement District #3 Water Delivery Project	\$25,000	\$0	\$25,000	\$0	\$0	\$0	Staff recommends approval of \$25,000 from the Southwest Basin Account		Craig Godbout
17i	Southwest	Geothermal Greenhouse Partnership, Inc.	Geothermal Greenhouse Partnership Project	\$25,000	\$50,000 (Delayed)	\$25,000	\$410,440	\$0	\$410,440	Staff recommends approval of \$25,000 from the Southwest Basin Account		Craig Godbout
17j	Yampa/White/Green	Colorado River Water Conservation District	Basin Implementation Plan	\$77,066	\$0	\$77,066	\$0	\$0	\$0	Staff recommends approval of \$77,066 from the Yampa/White/Green Basin Account		Brent Newman
33	Gunnison	North Delta Irrigation Company	Tunnel Reconstruction	\$0	\$82,687	\$82,687	n/a	n/a	n/a	Staff recommends re-authorization of \$82,687 from the Statewide Account	Reference Agenda Item 33	Kirk Russel
				\$456,356	\$82,687	\$539,043						
			Arkansas Basin Total Requests	\$58,750	\$0							
			Colorado Basin Total Requests	\$60,000	\$0							
			Gunnison Basin Total Requests	\$80,540	\$82,687							
			Metro Total Requests	\$50,000	\$0							
			North Platte Basin Total Requests	\$0	\$0							
			Rio Grande Basin Total Requests	\$0	\$0							
			Southwest Basin Total Requests	\$80,000	\$0							
			South Platte Basin Total Requests	\$50,000	\$0							
			Yampa/White Basin Total Requests	\$77,066	\$0							
			Water Supply Reserve Account Total Requests	\$456,356	\$82,687	\$539,043						

COLORADO WATER CONSERVATION BOARD
Water Supply Reserve Account - Balance Summary
February 1, 2014

Updated 02/20/14

Fund Appropriation and Receipts				
Fiscal Year	Legislative Appropriation	Funds Received	Statewide Account	Basin Account
2006/2007	\$10,000,000	\$10,000,000	\$5,500,000	\$4,500,000
2007/2008	\$6,000,000	\$6,000,000	\$4,200,000	\$1,800,000
2008/2009	\$10,000,000	\$7,000,000	\$4,300,000	\$2,700,000
2009/2010	\$5,775,000	\$5,775,000	\$4,215,750	\$1,559,250
2010/2011	\$6,000,000	\$6,000,000	\$4,380,000	\$1,620,000
2011/2012	\$7,000,000	\$7,000,000	\$4,732,000	\$2,268,000
2012/2013	\$10,000,000	\$7,157,724	\$4,580,943	\$2,576,781
2013/2014	\$10,000,000	\$7,091,639	\$4,538,649	\$2,552,990
Interest	N/A	\$2,764,472	\$1,769,262	\$995,210
TOTAL	\$44,775,000	\$58,788,835	\$38,216,604	\$20,572,231

Note: The WSRA is a Severance Tax "Tier II" program with 40% of funds distributed on July 1, 30% on January 1, and the final 30% on April 1.

In FY 2008/2009 the final 30% installment of \$3,000,000 was not received due to the State's budgetary shortfall.

In January 2012 interest for the program from its inception to date was credited directly to the Statewide Account.

Interest from January 2012 on is regularly calculated by the Treasury and credited to the Statewide Account.

Fund Distribution					
Basin	Approved Basin Grants	Total Basin Funds	Basin Account Balance	Approved State Grants	Statewide Account Balance
Arkansas	\$1,893,169	\$2,285,803	\$392,634	\$5,976,865	
Colorado	\$1,862,137	\$2,285,803	\$423,666	\$3,976,760	
Southwest	\$1,616,626	\$2,285,803	\$669,177	\$5,110,359	
Gunnison	\$1,876,802	\$2,285,803	\$409,001	\$3,108,191	
Metro	\$1,991,929	\$2,285,803	\$293,874	\$4,086,768	
North Platte	\$1,299,017	\$2,285,803	\$986,786	\$311,027	
Rio Grande	\$2,179,237	\$2,285,803	\$106,566	\$9,060,823	
South Platte	\$1,845,123	\$2,285,803	\$440,680	\$5,035,080	
Yampa/White	\$1,431,374	\$2,285,803	\$854,429	\$514,313	
TOTAL	\$15,995,414	\$20,572,231	\$4,576,817	\$37,180,186	\$1,036,418
TOTAL APPROVED GRANTS					\$53,175,600

Note: Only includes grants approved by CWCB