

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
September 25, 2013
Agenda Item 18.z

Applicant: Northern Colorado Water Conservancy District (Northern Water)

Water Activity Name: Emergency Flood Recovery Assessment, Design, and Recovery

Water Activity Purpose: Multi-purpose

County: Broomfield, Boulder, Larimer, Weld, Morgan, Washington, Sedgwick, Logan

River Basin: South Platte

Water Source: South Platte and tributaries

Amount Requested: \$1,500,000 (Statewide Account); \$150,000 (South Platte Account)

Matching Funds: South Platte Basin Account will provide a ten percent match. At minimum an additional ten percent will be provided. These monies will be distributed for use by water users affected by the 2013 flooding. Those water users, at their discretion, may obtain matching funds to accomplish the work needed to recover from the flooding. Distributions of these monies will be in accordance with criteria provided to Northern Water by CWCB and those distributions will be subject to review by CWCB staff. Limits to the distributions made, a part of total project costs, are specified below.

Staff Recommendation:
Staff recommends approval of up to \$1,500,000 from the Statewide Account, and \$150,000 from the South Platte Basin Account to provide technical assistance to assess and facilitate the repair of damages to water supply infrastructure caused by the 2013 flooding. Funds may be used to pay for damage assessments, initial rebuilding design, permitting, and restoration construction to infrastructure owned by water providers and water users in those areas that have been impacted by the September 2013 floods.

Water Activity Summary:

The September 2013 flood has caused remarkable damage in the South Platte River basin. Reservoirs, diversions, ditches have been damaged and, in some cases, destroyed in many areas. For others, the water infrastructure is intact, but the river or stream has moved so that it is no longer possible to divert water for the decreed beneficial use(s). Riparian areas have also been severely impacted and river re-channelization is severe in many areas.

Water users have asked CWCB take a leadership role in supporting impacted areas. Federal funds may not be at adequate funding levels to support needed repair of the water infrastructure of private reservoir and ditch companies. Further, flood insurance does not exist nor cover this infrastructure.

Water users have also requested CWCB consider extending the loan period for loans from the Construction Fund or the STTFPBA from 30 years to 40 years, specifically limited to flood rehabilitation projects, CWCB has also been requested to consider no interest being charged on these loans for the first 10 to 15 years of the loans, as well as a waiver of the repayment of principle for at least 5 years, depending on the circumstances of the individual water user. Water users have made these requests to allow them to “get back on their feet” prior to either making repayment, or having to incur interest charges on the loans. It is viewed that this grant request is the “seed money” to later facilitate loan applications.

Many of the water users and providers are already assessing damage and have begun recovery work. However, many do not have adequate financial and technical resources to initiate the rehabilitation process yet feel the need to act expeditiously in light of the pending storage season and the 2014 irrigation season. Therefore, it is critical to provide an initial emergency grant as soon as possible, recognizing that some of the details and criteria for the distribution of the funds will develop in the near future.

In the near aftermath and in preparation for recovery and rebuilding, staff recommends approval of an emergency WSRA grant for an initial amount up to \$1,500,000 from the Statewide Account, and \$150,000 from the South Platte Basin Account.

Threshold and Evaluation Criteria

Recipients of these grant monies must submit applications which demonstrate that the monies would be used for flood restoration and rehabilitation projects and that the projects comply with the criteria developed by CWCB and provided to Northern Water. Distribution of funds will be subject to review by CWCB staff. The application for these funds would articulate how the project generally meets the Evaluation Criteria summarized below:

- a. **Multipurpose:** The grant facilitates the continuing decreed beneficial uses of agricultural, municipal, domestic, industrial, recreational, and/or environmental needs affected by the floods.
- b. **Collaboration & Cooperation:** The grant will, to the extent practical, partner with other entities affected by the floods.
- c. **Meets Defined Needs:** Restoring or rehabilitating infrastructure will be critical to meeting current needs.

Discussion:

Grants distributed to water users would act as seed money for restoration and rehabilitation projects by facilitating the preparation of documents required for CWCB Construction Fund loans, STTFPBA loans, or other loan applications that are necessary for large construction projects. In some cases, grants from these funds would act as seed money to fund initial construction that will assist companies in getting back online temporarily or permanently. Examples of allowable short term assistance may include, but not limited to, headgate and ditch repair and clean up, i.e. projects that are “shovel ready”.

At the applicants' discretion, they may work closely with neighboring ditch companies to minimize costs, and in the case of diversions, partner with Colorado Parks and Wildlife, CWCB, and NGOs to incorporate fish and paddler friendly designs where possible. Grant resources could be used to further determine the best course for restoring the river channel.

Issues/Additional Needs:

No additional issues or needs were identified at this time.

Staff Recommendation:

Staff recommends approval of up to \$1,500,000 from the Statewide Account, and \$150,000 from the South Platte Basin Account to provide technical assistance to assess and facilitate the repair of damages to water supply infrastructure caused by the 2013 flooding. Funds may be used to pay for damage assessments, initial rebuilding design, permitting, and restoration construction to infrastructure owned by water providers and water users in those areas that have been impacted by the September 2013 floods.

All products, data and information developed as a result of this grant must be provided to the CWCB, through Northern Water, in hard copy and electronic format as part of the project documentation. 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 and Final Deliverable: The applicant shall provide the CWCB, through Northern Water, a progress report every 6 months, beginning from the date of the issuance of grant monies for the specific project. The progress report shall describe the completion or partial completion of the project. At completion of the project for which grant funds were used, the applicant shall provide 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.

Grant Objectives:

The purpose of this grant is to help prepare potential future loan applications that are or will be needed for large construction projects. In some cases, the grant funds could be used as funding for initial construction that assists companies in getting back in to operation. Examples of allowable short term assistance include, but not limited to, headgate and ditch repair, and clean up.

Applicant Guidance:

Except as noted above, these funds are expected to both set a project in motion with either or both technical assistance and initial construction, and then allow for future application for a CWCB loan.

CWCB and water users must be mindful that use of this grant money for entire projects will limit its benefits. The intention is to use these grant funds as a catalyst to move forward many projects. Water users know what they need to restore their system. They need the individual technical help and financial resources to accomplish those repairs.

The following limitations for funding of grant applications will be imposed. These may be changed at the direction of CWCB:

Seed Money – Up to \$ 25,000 available per project to be used for technical services needed to support the project and initial construction phases of the project. This type of grant would be limited to \$25,000 or 75% of the total project costs (including only engineering and construction costs, excluding in-kind water user costs and water user project administration costs) that were not reimbursed from other non-water user financial sources, whichever is less.

Shovel Ready – Up to \$20,000 available for cost sharing financing requirements of other non-CWCB financial assistance programs. For example, NRCS may require a 25% cost match and these grants may be used to satisfy that requirement. This type of grant would be limited to \$20,000 or 25% of the total project costs (including only engineering and construction costs, excluding in-kind water user costs and water user project administration costs) that were not reimbursed from other non-water user financial sources, whichever is less.

Applicants should be mindful that both of these types of grants are to get the individual project moving forward, not to finance the entire project. Northern Water, utilizing criteria provided by CWCB, will seek to distribute these funds to achieve the “biggest bang for the buck”, so applicants are highly encouraged to obtain partnerships.