

Alternative Agricultural Water Transfer Methods – Competitive Grant Program
Water Activity Summary Sheet
Agenda Item 13g

Applicant: Lower South Platte WCD

Water Activity Name: Lower South Platte Water Cooperative Operational Development of Alternative Water Transfer Methods

Water Activity Purpose: Non-Structural Activity

Drainage Basin: South Platte River

Water Source: South Platte River

Amount Requested: \$260,477

Matching Funds: \$29,500 (11%)

Staff Recommendation
Staff recommends approval of up to \$285,477 from the Alternative Agricultural Water Transfer Methods Program to help complete the project, Lower South Platte Water Cooperative Operational Development of Alternative Water Transfer Methods.

Project Summary:

This project focuses on developing an operations plan for the Water Cooperative. This project will analyze and address: 1) technical issues such as identifying, quantifying and determining reliability of long term water supplies, (from alternative transfer methods, excess augmentation water and newly developed water rights) as well as implementing accounting and data management needs in order to exchange, retine and store such water on a daily basis; 2) legal issues such addressing third party and internal water rights and injury concerns; and 3) economic issues such as individual farmer and individual organizational financial assessment for potential Water Cooperative members as well as financial considerations for a new water marketing / leasing organization such as the Water Cooperative. In addition, substantially more technical, institutional, legal and economic analysis will be conducted as part of this project to develop an operations plan and assist in detailing an organizational structure for a potential new organization. Through initial work by the group, water users made it clear that the success of the Water Cooperative will be directly related to two key issues: 1) the organizational structure chosen to govern and operate the Water Cooperative must be fair, open and transparent; and 2) the operational plan for the Water Cooperative must be able to function within the existing system of water right decrees, and be done so that no injury to existing water rights occurs.

The objectives of this project are as follows:

- Develop an operational plan that identifies water supplies (including direct flow and/or storage water transferred through alternative means, excess recharge credits, new junior water rights, etc.), demands, and the means and infrastructure needed to provide water when and where it is needed.
- Identify existing and potential infrastructure that could help increase the ability of the
- Cooperative to match supplies with demands.
- Obtain feedback from stakeholders on the operational plan.

- Identify specific data, water measurement, and accounting needs and work with potential Cooperative members on developing data transfer methods.
- Gain a general understanding of options for funding the operation of the Cooperative.

Discussion:

This proposal is a component of a larger concept that recognizes the existence of available augmentation credits (made available from recharge projects) in the South Platte River basin and the creation of an organization that serves as a mechanism for moving these credits to other users. The CWCB has supported this effort through the initial round of funding under this grant program and through the WSRA program (September 2010). Staff supports this effort and believes that this project, if successful, will help to optimize the use of the South Platte basin's water resource.

In staff's review of the applications, some redundancies in the projects were identified. Specifically, staff believed that the organizational/economic analysis performed under the Parker Water and Sanitation's proposal (task 3) had some overlap with this project, especially in regards to the organizational analysis. To best utilize the funds, it appears that the economic analysis contemplated in Parker WSD's proposal would be better performed under Task 7 of this proposal. Staff therefore recommends that this proposal combine the economic analyses contemplated in each proposal.

Issues/Additional Needs:

- Please work with Staff to revise the scope of work to provide for additional economic analysis.

Staff Recommendation:

Staff recommends revising the scope of work to add \$25,000 to provide additional economic evaluation and analysis within Task 7. Staff recommends approval of up to \$285,477 from the Alternative Agricultural Water Transfer Methods Program to help complete the project, the Lower South Platte Water Cooperative Operational Development of Alternative Agriculture Water Transfer Methods. It is also recommended that the applicant work with the CWCB to develop an acceptable scope of work.

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 Criteria and Guidelines of the Alternative Agricultural Water Transfer Methods Competitive Grant Program, 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.