



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

MEMORANDUM

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John Hickenlooper, Governor

Bob Randall, DNR Acting Executive Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Steve Miller, Interstate, Federal & Water Information Section

DATE: May 18 -19, 2016 Board Meeting

CONSENT AGENDA: Item 2. RCPP Funding Request Approval

Background:

The 2015 CWCB Projects Bill authorized \$500,000 from the Construction Fund to provide technical assistance to applicants and participants in the USDA Regional Conservation Partnership Program (RCPP). At the July 2015 Board meeting staff proposed criteria for utilizing these funds and the Board concurred in those criteria (copy attached). This agenda item is to seek the Board's approval of a second funding request in the amount of \$370,000 received from the Colorado River Water Conservation District (CRWCD) for continued support their 2014 approved Gunnison Basin RCPP project and their pending 2016 application. Note that this request exceeds the suggested \$100,000 cap for project implementation. Staff recommends that this cap be waived based on the fact that the Gunnison project is the only water related RCPP awarded in Colorado to date, and that the technical assistance component of implementing that project has proven to be much more complex than anticipated.

Discussion:

In the 2014 RCPP selection process the CRWCD was successful in obtaining a project focusing on water conservation in the Gunnison Basin. The District is now in the process of developing the detailed plans, designs, and environmental clearances to allow implementation to proceed. Some of this work is beyond the capacity of existing USDA staff to complete in a timely manner and some is not eligible for use of USDA funds. Dave Kanzer from the CRWCD has provided the attached May 4, 2016 memo detailing the specific types of technical assistance that will be made available with the \$370,000.

Approval of this request will reduce the amount of funds in the RCPP account to \$25,000 which is being reserved for future assistance to several RCPP projects being formulated in the Arkansas Basin. It is anticipated that staff will request that the Board consider an additional authorization of funds to the RCPP account in the fall of 2016 via the 2017 projects bill. A summary of the fund to date is as follows:

Authorized amount = \$500,000

Nov. 2015 allocated to Gunnison RCPP = \$105,000

CRWCD \$5,000 consultant services on 2015 application

Delta CD \$50,000 technical services to local RCPP participants

Shavano CD \$50,000 technical services to local RCPP participants

May 2016 CRWCD request for Gunnison project = \$370,000

Remaining balance reserved for future Arkansas Basin RCPP = \$25,000

Staff recommendation: Staff recommends that the Board approve an expenditure of \$370,000 from the RCPP technical assistance fund to provide additional technical support for the CRWCD's Gunnison RCPP project.

CWCB RCPP TECHNICAL ASSISTANCE PROGRAM OUTLINE
July 2015

I. GENERAL REQUIREMENTS

- A. Eligibility
 - Units of Colorado local government: Cons. Dist., Water Conservancy Dist., Water Conservation Dist.
 - Environmental and conservation organizations: non-profits and 501(c)
- B. Project types
 - Water conservation, irrigation efficiency enhancement (infrastructure and/or soil health)
 - Stream restoration, invasive phreatophyte control
 - Water quality
 - Aquatic/riparian endangered species habitat and mitigation
 - Activities must be located in Colorado
- C. Cost-share
 - No mandatory per cent, significant federal funding already being leveraged
 - reimburse for in-kind services
 - Payment of administrative charges/fees
- D. Procedure
 - Non-competitive, awards on rolling basis, availability announced on CWCB website
 - Director's discretion for grants less than \$25,000
 - Board consent agenda for larger grants
 - Potential Basin Round Table review/input

II. RCPP STAGES and POTENTIAL TECHNICAL ASSISTANCE COMPONENTS

- A. Pre-proposal, suggested funding limits 0 - \$10,000.
 - Prefeasibility level design and cost estimates
 - Grant writing assistance
 - Capacity building by sponsor with potential participants
 - CWCB staff assistance at no cost
- B. Full Application Process, suggested funding limits 0 - \$25,000.
 - Feasibility level design and cost estimates
 - Grant writing assistance
 - Coordination with local participants
 - CWCB staff assistance at no cost
- C. Contact Negotiation and pre-Construction activities, suggested funding limits 0 - \$50,000
 - Detailed design and cost estimates
 - Environmental compliance
 - Attorney fees
- D. Project Implementation, suggested funding limits 0 - \$100,000
 - Construction management/supervision
 - Project management
 - Irrigation water management services
 - Technical Service Provider ("TSP") contracts
 - Community Outreach / Education



TO: JAMES EKLUND, DIRECTOR, COLORADO WATER CONSERVATION BOARD
CC: ERIC KUHN, GENERAL MANAGER, COLORADO RIVER DISTRICT
FROM: DAVE KANZER, P.E., DEPUTY CHIEF ENGINEER, COLORADO RIVER DISTRICT
SUBJECT: LOWER GUNNISON PROJECT – REQUEST FOR TECHNICAL ASSISTANCE FUNDING FOR REGIONAL CONSERVATION PARTNERSHIP PROGRAM (RCPP)

MAY 4, 2016

This memo outlines a new request for CWCB cost share funding for up to \$370,000 of construction bill funding (consistent with previous board direction) to provide technical assistance to support the cooperatively-funded Lower Gunnison Project.

Introduction / Background

In 2015, the Colorado River District (CRD) was awarded \$8 million of funding through a competitive process from the Natural Resource Conservation Service (NRCS) to plan and implement agricultural water use efficiency projects in the Lower Gunnison River Basin. Now, as the lead sponsor for this series of cooperatively funded projects, the Colorado River District is seeking additional partner support for Technical Assistance (TA) from the CWCB.

The Lower Gunnison Project (LGP) is a series of integrated agricultural projects that focus on improving and updating four federal irrigation districts in western Colorado. It brings together a list of disparate agencies, stakeholders and partners to comprehensively address issues with aging irrigation infrastructure.

In short, the LGP leverages significant financial and technical assistance (approximately \$50MM in total, including other federal (primarily from the US Bureau of Reclamation), state and local water conservancy district cost share to:

- 1.) Increase agricultural water availability and certainty;
- 2.) Enhance water quality by minimizing salt and selenium loading;
- 3.) Address declining soil health issues; and
- 4.) Benefit in stream habitat, especially in downstream designated and occupied critical habitat to aid in the recovery of threatened and endangered fish species.

This project is consistent with local, state and federal goals. Specifically, the project objectives address several significant cooperative programs and initiatives, such as the Colorado Water Plan activities (Gunnison Basin Implementation Plan), the Upper Colorado Endangered Fishes Recovery Program (ESA), Selenium Management Program (CWA), Salinity Control Program, agricultural productivity and local economic development goals.

As the lead entity for the LGP, the Colorado River District, now requests additional financial support from the CWCB as the project moves into the implementation phases.

The requested CWCB funding will be used to secure additional needed technical assistance and engineering expertise that will enable the LGP to finalize designs and integrate key operational components which have been identified through local master planning activities that were jointly funded by the CWCB and the CRD. These master plans include significant technical input from landowners and water providers and reflect the highest priorities as identified by consensus. These funds will directly leverage and extend the limited NRCS RCPP funding and to enable the LGP partnership to be more effective. For example, funds are needed to design small, re-regulation facilities (*i.e.*, engineered storage reservoirs) that will enable direct diversion supply systems that are generally ‘always on’ to convert to ‘demand driven’ systems based upon crop needs. These storage and delivery systems will regulate flow rates, volumes and delivery pressures in the newly enclosed piped distribution systems to thereby conserve critical water resources.

The River District is seeking up to \$370,000 of funding to provide additional technical assistance funds for three project components of the LGP (see budget table below for more detail):

- 1.) **Fire Mountain Canal Improvement Project** in the North Fork Water Conservancy District (NFWCD) – estimated to be \$200,000. Technical assistance funding will be used to produce a system optimization plan that will result in a new water management and delivery system for the Fire Mountain Canal Company from headgate to end user. It is anticipated that this include the design and implementation of a new small re-regulation facility to optimally store and release the majority of the NFWCD water resources (approximately 40,000 acre-feet/year would flow through and be re-timed by this facility) to agricultural users near Hotchkiss. Additionally, the technical assistance will be used to design a pressurized near-farm lateral pipeline that services approximately 300 irrigated acres. For these system components, CWCB funding will result in design specifications necessary for the construction bidding process. Construction costs are to be borne by the LGP.
- 2.) **West Lateral Canal Improvement Project** in the Bostwick Park Water Conservancy District (BPWCD); approximately \$90,000. Technical assistance funding will be used to hire planning experts and engineers to design the conversion of the earthen west lateral to a newly pressurized pipeline, and to integrate it into a system optimization scheme for BPWCD. This will result in design specifications for the construction bidding process, with construction costs to be paid for by existing LGP funds.
- 3.) **Water Diversion and Delivery Improvement Projects** in the Crawford Water Conservancy District (CWCD); approximately \$85,000. Technical assistance funding will be used to employ planning experts and engineers to re-design the diversion and conveyance headworks of the Needle Rock irrigation system and to optimize the water delivery system of the Crawford Clipper system. These are both private systems that convey CWCD water resources. The CWCB funding will be used to produce design specifications necessary for the construction bidding process for a new large capacity pipeline at the headworks of the Needle Rock canal and a new small re-regulation storage facility to be integrated into the center lateral of the Crawford Clipper ditch system. The

materials and construction costs for these irrigation improvement projects are to be covered by existing LGP funding.

It is important to reiterate that the requested CWCB technical assistance directly supports high priority components as identified in recently completed Master Planning and Strategic Funding efforts jointly funded by the CWCB, CRD and Reclamation. The requested CWCB technical assistance funding will directly enable the LGP partners to plan, design, carefully engineer and optimally implement phased components of the LGP. Pursuant to the identified funding strategy, CWCB TA will be used to increase the competitiveness of LGP partners for future grant funding cycles of the Salinity Control, WaterSmart, and NRCS RCPP programs.

FUNDING SOURCES SUMMARY									
Project Focus Area	Project Name	FOA	LOCAL FUNDING	CWCB RCPP TA	CWCB / CRD / USBR	RCPP (FA)	RCPP (TA)	RCPP TOTAL	GRAND TOTAL
Bostwick Park WCD	West Lateral Phase - 1			\$87,485		\$511,715	\$0	\$511,715	\$599,200
Bostwick Park WCD	Master Planning / System Optimization / Funding Strategy Study				\$65,000	\$0			\$65,000
North Fork WCD	Fire Mountain Water Delivery Project			\$200,000			\$0		\$200,000
North Fork WCD	Fire Mountain Salinity Reduction Project FOA	\$2,954,512	\$200,000			\$1,028,000	\$83,000	\$1,111,000	\$4,265,512
North Fork WCD	Master Planning / System Optimization / Funding Strategy Study				\$55,000		\$0		\$55,000
Crawford WCD	Upper Clipper Re-Regulating Pond (Cleary Site)			\$15,915		\$247,000	\$61,750	\$308,750	\$324,665
Crawford WCD	Crawford Clipper Salinity Reduction Project FOA	\$3,145,909							\$3,145,909
Crawford WCD	Master Planning / System Optimization / Funding Strategy Study				\$55,000				\$55,000
Crawford WCD	Needle Rock: Phase 1 (Headgate Improvement & 1,000 ft piping)			\$66,600		\$333,000	\$0	\$333,000	\$399,600
Totals		\$6,100,421	\$200,000	\$370,000	\$175,000	\$2,119,715	\$144,750	\$2,264,465	\$9,109,886