



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

John Hickenlooper, Governor

Robert W. Randall, DNR Executive
Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Craig Godbout
Program Manager - Water Supply Reserve Fund Grant Program
Water Supply Planning Section

DATE: July 8, 2016

AGENDA ITEM: 15: WSRF Criteria and Guideline Revisions

Staff Update - Informational Item Only - WSRF Criteria and Guidelines Revisions

At the direction of the CWCB Board (Board), staff has begun a review of the current Water Supply Reserve Fund Criteria and Guidelines and is providing this update addressing proposed revisions, clarifications, and additional items for discussion purposes. Staff has revised the WSRF Criteria and Guidelines and the WSRF Application.

Attachments: 2014 WSRF Criteria and Guidelines
2016 1st Draft Revisions WSRF Criteria and Guidelines
2014 WSRF Application
2016 1st Draft Revisions WSRF Application

WSRF Criteria and Guidelines:

Proposed Revisions: (page numbers refer to revised document *2016 1st Draft Revisions WSRF Criteria and Guidelines*)

- 1) Reorganization of the WSRF Criteria and Guidelines (C&G) to provide applicants, staff and the Board more efficient access to the Eligibility Requirements, the Evaluation Process, the Application Process, and Grant Administration.
- 2) General Eligibility Requirements (page 3 of 13): Added reference to Basin Implementation Plans and Colorado's Water Plan to emphasize importance of WSRF role in achieving the goals of these efforts/documents.
- 3) Matching Requirements for Basin (only) Account Requests (page 4 of 13): Establishes a 25% matching requirement for Basin Account requests where none occurred previously. Discussed during WSRF Criteria and Guidelines Committee (Committee) and the IBCC meeting. Staff has examined approximately 26 grant programs and has determined that approximately 80% of those examined require a 25% or greater match (17 of the 26 are State of Colorado Grant Programs).



- 4) Matching Requirement for Statewide Account Requests (page 4 of 13):
 - (a) Increase the matching requirement for Statewide Account grants from 25% to 50%. Increases the minimum Basin Account match requirement from 5% to 10%, and increases the minimum Applicant/3rd party match requirement from 5% to 10%. Increases the remaining match requirement from 15% to 30% from other sources, including the Basin Account. Staff has examined approximately 26 grant programs and has determined that 15% of those examined require a 50% match (3 of the 4 are State of Colorado grant programs). An increase in the minimum Basin Account match requirement would increase the respective Roundtable's support of grant requests. Staff will defer to the Board's discretion what an appropriate increase would be sufficient.
 - (b) Proposes how the minimum matching requirements are calculated for Statewide Account requests. Currently the minimum matching requirements (Basin Account match and Applicant match) are based on the total grant request (Basin Account and Statewide Account), which has caused a fair degree of confusion among applicants. This proposal suggests that the Basin Account match and the Applicant match be based on the Statewide Account request only.
- 5) Evaluation Criteria (Statewide Accounts) (page 5 of 13):
 - (a) Tier 1 (a): Added a new requirement ("funding assistance") that "raises the bar" for demonstrating support from other Roundtables.
 - (b) Tier 1 (c): Added reference to Basin Implementation Plans & Colorado's Water Plan to emphasize importance of WSRF role in achieving the goals of these efforts/documents.
- 6) Progress Reports (page 8 of 13): Provides staff the authority to withhold reimbursement payments if 6 month Progress Reports are not submitted.
- 7) Final Deliverables (page 8 of 13):
 - (a) "Proposed Budget v Actual Budget" This provision has been added to demonstrate accountability and performance on behalf of the applicant.
 - (b) "Any entity failing to comply with this provision may be denied further funding consideration." Suggested by WSRF Committee and IBCC, seems to fall into reasonable "Best Management Practices."
- 8) Scoring Matrix: This evaluation component has been eliminated.

Clarifications:

- 1) Education and Outreach grants (page 3 of 13): Explicitly states that these types of grants "shall contain a strong component that addresses the IBCC and the RT process, and shall promote dissemination of the Basin Implementation Plan and Colorado's Water Plan."



- 2) Matching Requirements for Basin Implementation Plans (page 4 of 13): Explicitly states that the Basin Account/Statewide Account matching ratio is 2:1 for continuing efforts to further the efforts of the Basin Implementation Plans (this ratio is identical to that established for the creation of the BIPS), and that no other sources of funding are required.
- 3) Basin Implementation Plan requests (page 8 of 13): States that BIP requests can be heard by the Board during any of their bimonthly meetings.
- 4) Administrative Expenses (page 9 of 13): Explicitly states that the maximum percent of grant award expended on administrative expenses shall be no more than 15%. Staff will defer to the Board's discretion what the appropriate level should be.

Additional Considerations/Items for Discussion

Evaluation Criteria (page 5 of 13): While there currently is a provision in the Evaluation Criteria that accounts for the applicants contribution (match), currently there is no explicit reference to how Basin Account matches are used to evaluate the merits of a water activity proposal; therefore it may be prudent to provide some provision for including this.

Final Deliverable (Retainage) (page 8 of 13): Currently 10%. Staff will defer to the Board's discretion what the appropriate level should be.

Request for Proposals: This item was discussed during the Committee meeting and the IBCC meeting in regard to the potential for requiring all grants greater than \$100,000 to undergo a RFP process. While the RFP process does have its merits, applying this process to the WSRF Grant Program raises several issues and increases the number of steps either the applicant, the RT, and staff may have to negotiate to initiate a grant. For example: Would the RFP process occur prior to, or following CWCB approval? Who would be involved in the review process? How would the process be verified? Would RFP requirement be applied only to whose contracts between grantee and contractor that exceeds \$100,000? While all of these issues can be addressed, they may need clarification so all parties involved have a clear understanding of their responsibilities and obligations. An option to this proposal would be to encourage grantee's to solicit RFQs as opposed to being required to engage in the RFP process.

Recusal Policy: Should Roundtables revise their By-laws to specifically state that any Roundtable member that is sponsoring a WSRF grant request recuse themselves from voting on any action item related to the grant?

Effective Date: If approved, when will these revisions take effect?

