



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date:

Colorado River Development and Curtailment Risk Study

### Name of Water Activity/Project

Colorado River Water Conservation District

### Name of Applicant

Colorado - \$10,000  
Gunnison - \$10,000  
Southwest - \$10,000  
Yampa/White - \$10,000

Amount from Statewide Account:

n/a

Amount from Basin Account(s):

\$40,000

Total WSRA Funds Requested:

\$40,000

### Approving Basin Roundtable(s)

*(If multiple basins specify amounts in parentheses.)*

FEIN: 84-6000156

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### Required Exhibits

- A. Statement of Work, Budget, and Schedule
- B. Project Map
- C. As Needed (i.e. letters of support, photos, maps, etc.)

### Appendices – Reference Material

- 1. Program Information
- 2. Insurance Requirements
- 3. WSRA Standard Contract Information (Required for Projects Over \$100,000)
- 4. W-9 Form (Required for All Projects Prior to Contracting)

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### **Instructions**

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>. In addition, the applicant should also refer to the [Supplemental Scoring Matrix](#) applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests .

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Craig Godbout - WSRA Application  
Colorado Water Conservation Board  
1313 Sherman St., Room 721  
Denver, CO 80203  
[Craig.godbout@state.co.us](mailto:Craig.godbout@state.co.us)

If you have questions or need additional assistance, please contact Craig Godbout at: 303-866-3441 x3210 or [craig.godbout@state.co.us](mailto:craig.godbout@state.co.us).

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### Part I. - Description of the Applicant (Project Sponsor or Owner);

1.	Applicant Name(s):	Colorado River Water Conservation District		
	Mailing address:	POB 1120 Glenwood Springs, CO 81602		
	FEIN #:	84-6000156 (contacting agent)		
	Primary Contact:	Eric Kuhn	Position/Title:	General Manager
	Email:	ekuhn@crwcd.org		
	Phone Numbers:	Cell: 970-379-7314	Office:	970-945-8522
	Alternate Contact:	Alesha Frederick	Position/Title:	Business Support Specialist
	Email:	afrederick@crwcd.org		
	Phone Numbers:	Cell: 662-574-6024	Office:	970-945-8522

2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

- ☐ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☒ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☐ Non-governmental organizations – broadly defined as any organization that is not part of the government.

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3. Provide a brief description of your organization

The Colorado River Water Conservation District (also known as the Colorado River District or the River District) was created by the Colorado General Assembly in 1937 to lead in the protection, conservation, use and development of the water resources of the Colorado River Basin for the welfare of the District, and to safeguard for Colorado all waters of the Colorado River to which the state is entitled. Fifteen counties in western Colorado comprise the District and each appoints a member to the Board of Directors. The District covers all the lands and waters of Grand, Summit, Eagle, Pitkin, Routt, Garfield, Moffat, Rio Blanco, Mesa, Delta, Gunnison and Ouray counties and parts of Montrose, Saguache and Hinsdale counties.

4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.

The applicant is the same as the contracting entity.

5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

☒ The Applicant will be able to contract with the CWCB using the Standard Contract

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.

The Colorado River Water Conservation District does not anticipate any TABOR issues.

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### Part II. - Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

☒ Nonconsumptive (Environmental or Recreational)

☒ Agricultural

☒ Municipal/Industrial

☒ Needs Assessment

☒ Education

☐ Other

Explain:

2. If you feel this project addresses multiple purposes please explain.

The Colorado River Development and Curtailment Risk Study addresses the need for technical data so that the Roundtables concerned with use of the Colorado River can better discuss issues surrounding future Colorado River development and the risk to current water users. These issues affect agriculture, municipal and industrial, and environmental/recreational uses. This technical data will be important to educating stakeholders on development and curtailment negotiations.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

☒ Study

☐ Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

New Storage Created (acre-feet)

New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)

Existing Storage Preserved or Enhanced (acre-feet)

Length of Stream Restored or Protected (linear feet)

Length of Pipe/Canal Built or Improved (linear feet)

Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

☒

Other -- Explain:

Technical data to support Roundtable negotiations.

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4. To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude:

Longitude:

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

This application addresses Phase II of the Colorado River Development and Curtailment Risk Study. Phase I is almost concluded and it is agreed by the entities to address additional questions. **Background:** At the Dec. 18, 2014, meeting of the Four West Slope Basin Roundtables held at Ute Water in Grand Junction, various attendees cited the need for technical data so that the Four Roundtables could better discuss issues surrounding future Colorado River development and the risk to current water users.

The issues framing the need for technical data include the Yampa-White's call for a "development carve out" and the Gunnison's position that development of any sort, any place poses a risk to all current users. The Colorado and Southwest Basin Implementation plans have since identified development needs and risks. The risk factor is also critical to Principal No. 4 in the Conceptual Agreement about how to discuss a future transmountain diversion. It reads: "A collaborative program that protects against involuntary curtailment is needed for existing uses and some reasonable increment of future development in the Colorado River System, but it will not cover a new TMD." (*Chapt. 8, page 14, Colorado's Water Plan*).

Against this backdrop, the Colorado River District and the Southwest Water Conservation District proposed that the Four Roundtables each join in a cross-basin Water Supply Reserve Account approval process to support a WSRA application for technical data development by the two Districts. The purpose is to give the engaged Roundtables in the state a common technical platform by which fruitful discussions and negotiations can be had.

### Key findings of the risk study's Phase I

- Droughts similar to those in the recent past could cause Lake Powell to, within a few years, drop to levels that jeopardize Glen Canyon Dam's ability to generate electricity, and create a risk that the Upper Colorado River Basin would be unable to meet its delivery obligations under the 2007 Interim Guidelines and potentially the Colorado River Compact.
- The higher the consumptive use in the Upper Basin going forward, the greater the risk to all water users.
- Water supply augmentation and "drought operations" – moving water from large upstream reservoirs to prop up the levels in Lake Powell – reduce risk.

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- “Demand management” – the voluntary reduction of consumptive use in the Upper Basin – can further reduce risk.
- In the most extreme drought scenarios, even after drought operations and additional demand management in the Lower Basin, the shortfall may be too large to meet with demand management programs, suggesting the need for discussions now about the necessary tradeoffs and alternative strategies to meet worst case scenarios.

### Conclusions

- Hydrology, Demands and Future Development levels matter, the higher the consumptive use in the Upper Basin the higher the risk to all users
- Contingency Planning is essential, CRSP (Aspinall, Flaming Gorge, Navajo) reservoir drought operations reduces the risk, but in more severe droughts (e.g., 1988-1993 & 2001-2005), demand management is also required
- Some of the demand management volumes we are seeing in the model are very large and may not be feasible, so we need to consider the “trade-offs” and alternative strategies
- Example: Demand Management Combined with a Water Bank:
  - Could limit the annual impact to consumptive use by spreading conservation over many years
  - Would provide greater control over conserved water

**The intent of Phase II is to** further quantify the risks to water users in Colorado, by evaluating a number of scenarios with a variety of assumptions regarding the timing, location, volume and administrative requirements that could be imposed in order to make up a Powell deficit. Scenarios to be evaluated in Phase II are developed based on feedback from the West Slope BRTs as well as input from Front Range Roundtables.

Two different technical approaches will be used in Phase II. The first set of analyses will build upon the CRSS modeling from Phase I, and will include additional modeling runs with CRSS to evaluate alternative model assumptions (hydrology, demand, etc), as well as to quantify the sensitivity of risk to various drivers (demand, hydrology, CRSP operations, etc). The second piece of Phase II will investigate the utility of StateMod in addressing more detailed sets of questions that have been raised by the participants. These include demand management allocation schemes among the basins, modeling of compact calls, and a more realistic look at the effects of transbasin diversions and the use of storage facilities, particularly in the upper mainstem. While the ultimate objective is to use StateMod in parallel with CRSS, this initial work will test the ability of StateMod to address these questions, and will allow budget to perform some exploratory model analysis to better understand the limitations of the tool in this application.

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### **The next phases of the study should focus on four basic areas:**

1. Additional hydrologic analysis using CRSS. There are suggestions that we conduct additional modeling using flows from the paleo-hydrologic record and there are questions concerning the 3,525' management trigger – why not 3,510' for example.
2. The study results suggest some rare, but very large shortages that might have to be made up through demand management. We need to model alternative approaches where we bank a smaller amount of water in a reservoir in more years and hold that water for delivery in the large demand management years.
3. Using both CRSS and CDSS (state mod) explore how different management options impact water uses, reservoir storage, and the major sub-basins. We would look at a variety of options, many (or most) of which someone will object to. The objective is to look at where the water for demand management might be found:
  - a) A reduction of water uses based on priority.
  - b) A pro-rata reduction of all major post-compact rights.
  - c) A pro-rata reduction of consumptive use within each basin based on either the consumptive use within each basin or that basin's average contribution to the Colorado River System's natural (undepleted) flow.
  - d) A combination of a, b and c with a pre-compact water bank.
  - e) Other options suggested by stakeholders.
4. Conduct additional modeling based on the updated climate model results if the data needed to conduct such modeling becomes available.

### **Financing and Scope of Work**

To conduct this study, the River District and Southwest District will contribute \$24,750 each (\$49,500 each). The Roundtables are requesting \$10,000 each, (\$40,000), for a grand total of \$89,500 to fund Phase II.

The Colorado River District is the contracting entity. For a full scope of work, please see Exhibit A.

### **Study Management**

- The study will be managed jointly by the River District and the Southwestern District with assistance of technical representatives from the four West Slope roundtables and the Arkansas, Metro and South Platte Roundtables. The effort needs to be open and transparent.



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### Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.<sup>1</sup>

This activity is consistent with the CRS.

- b) The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRT's evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

This information is pending Roundtable consideration, approval and the writing of approval letters.

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<sup>1</sup> 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

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- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.<sup>2</sup> The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

This information is pending Roundtable consideration, approval and the writing of approval letters.

- d) Matching Requirement: For requests from the Statewide Fund, the applicants will be required to demonstrate a **25 percent** (or greater) match of the total grant request from the other sources, including by not limited to Basin Funds. A minimum match of 5% of the total grant amount shall be from Basin funds. A minimum match of 5% of the total grant amount must come from the applicant or 3rd party sources. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the contract or purchase order between the applicant and the State of Colorado is executed. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

The total budget is \$60,000. The Colorado River District is contributing \$10,000. The Southwest Colorado Conservation District is contributing \$10,000. It is anticipated that each of the four West Slope Basin Roundtables (Colorado, Gunnison, Southwest and Yampa/White) will contribute \$10,000 each from their respective WSRA Basin Funds.

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<sup>2</sup> 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

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2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

**Evaluation Criteria** – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. The applicant should also refer to the Supplemental Scoring Matrix applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

### Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

### Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).
- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.

### Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.

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j. The water activity is complimentary to or assists in the implementation of other CWCB programs.  
Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

**Please attach additional pages as necessary.**

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### Part IV. – Required Supporting Material

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

The water body to be affected by this water activity is the Colorado River system which includes the mainstem and its tributaries in western Colorado.

2. Please provide a brief narrative of any related studies or permitting issues.

3. Statement of Work, Detailed Budget, and Project Schedule

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

Provided in Exhibit A.

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**Please provide a detailed statement of work using the template in Exhibit A.** Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

## **REPORTING AND FINAL DELIVERABLE**

**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 statement 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.

## **PAYMENT**

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 10 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. 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 help promote the development of a common technical platform.

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The above statements are true to the best of my knowledge:

**Signature of Applicant:**

**Print Applicant's Name:** Eric Kuhn, General Manager, Colorado River District

**Project Title:** Colorado River Development and Curtailment Risk Study

**Date:** March 1, 2016

**Return an electronic version (hardcopy may also be submitted) of this application to:**

Craig Godbout – WSRA Application  
Colorado Water Conservation Board  
1313 Sherman St., Room 721  
Denver, CO 80203  
303-866-3441, ext. 3210 (office)  
303-547-8061 (cell)  
[craig.godbout@state.co.us](mailto:craig.godbout@state.co.us)