



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Derek Johnson, P.E., Project Manager
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DATE: November 16-17, 2016 Board Meeting

AGENDA ITEM: 22. CWCB Reservoir Dredging Program - Grant Program Guidance

Introduction

CWCB staff, in response to SECTION 11 of Senate Bill 16-174, which appropriated \$1,000,000 for the purpose of funding reservoir dredging projects, seeks approval of the CWCB Reservoir Dredging Program - Grant Program Guidance, which have been discussed at the previous September 2016 Finance Committee meeting.

Modifications made to the previous Guidance since September include:

- Making grant funds available for feasibility studies as well as construction activities
- Firming timelines for the grant approval process
- Removal of In-kind Services as a consideration for grant review and approval
- Allowing private individuals to receive grant funding

Staff recommendation

Staff recommends the Board approve the CWCB Reservoir Dredging Program - Grant Program Guidance.

Attachment: CWCB Reservoir Dredging Program - Grant Program Guidance



CWCB Reservoir Dredging Program

Grant Program Guidance

A. Background

Senate Bill 16-174, passed by the 2016 Colorado General Assembly, establishes funding for Colorado Water Conservation Board (CWCB) projects. The legislative declaration states:

SECTION 11. Reservoir dredging project - appropriation.

(1) For the 2016-2017 state fiscal year, \$1,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado Water Conservation Board Construction Fund created in section 37-60-121, C.R.S. To implement this section, the Colorado Water Conservation Board may use this appropriation to conduct a reservoir dredging project in partnership with a water provider such as a municipality, district, or irrigation company, subject to the approval by the board with a cost share amount not to exceed fifty percent.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until July 1, 2018, at which time the unencumbered balance of the money reverts to the unappropriated balance of the Colorado Water Conservation Board construction fund.

The CWCB is the state executive branch agency responsible for state water policy and planning. The Board's mission is to conserve, develop, protect, and manage Colorado's water for present and future generations. Its major program sections include Watershed & Flood Protection; Water Supply Planning; Finance; Stream and Lake Protection; and Intrastate & Federal. More information about the CWCB and its sections can be found at <http://cwcb.state.co.us/>.

The purpose of this Grant Program Guidance is to establish and describe the program for the issuance and administration of grants from the CWCB Reservoir Dredging Program.

B. Grant Approval Criteria

1. Competitive Process

The Board will select projects to fund from applications that best meet the basic application (B.5) and evaluation criteria (B.6). CWCB staff reserve the right to negotiate with successful applicants to modify the scope and budget of their projects to better meet CWCB objectives and fund availability. An evaluation team will be formed to review applications and recommend projects for grant funding. The evaluation team will consist of at least three CWCB staff members. Staff will submit funding recommendations for grants per section C.1.

2. Grant Eligible Activities

Projects, plans, and feasibility studies designed to develop or restore reservoir storage capacity will be eligible for grant funding. This includes projects designed to connect isolated dead pool areas to outlet works.

3. Cost-Sharing

Reservoir Dredging Grants will be funded by the CWCB for eligible construction activities on a Cash Match basis. Cash Match funds are actual expenditures paid directly with cash funds from the grantee to a vendor. Examples are supplies, services, and necessary equipment purchases or rentals. Grant funding from other sources will be considered a cash match for this purpose. The portion of CWCB funding from the CWCB Reservoir Dredging Program shall not exceed 50% of the total cost of the individual plan or project.

4. Eligible Entities

Eligible entities include water providers such as municipalities, districts, or irrigation companies, and private owners that own or operate a water storage reservoir. Federal agencies are not eligible to receive grant funding; however, projects may be conducted on federal lands with appropriate permissions and under the sponsorship of an eligible entity. The CWCB will strive to achieve geographic diversity by approving qualifying projects west and east of the continental divide.

5. Application Requirements

The CWCB Reservoir Dredging Program objective is to facilitate construction projects that restore or create water storage.

Basic Applicant Qualifications

Grant applicants must demonstrate:

- The project will not interfere with CWCB goals of restoring and/or protecting water, lands and other natural resources
- The project will result in the availability of additional storage volume in the applicable reservoir
- Ability to provide required cash match funding

Grant applications that do not meet or demonstrate the above criteria will not be considered further in the application process.

6. Application Evaluation Criteria

Grant applications for feasibility studies need only meet the Basic Application Requirements set forth above in section B.5. Grant applications for design and construction activities will subsequently be evaluated with respect to the following three factors:

- How well does the applicant fit the qualifications test?
- Does the applicant organization have the capability to accomplish the proposed work?
- How effective is the proposal at accomplishing the goals of the dredging grant program?

The following criteria and rating system will be used to evaluate and rank multiple applications to determine grant funding:

Qualifications Evaluation (Maximum of 10 points)

- Identify the lead project sponsor and describe additional stakeholders' level of participation and involvement.
- Specify cash match amount for the proposed activities. See section B.3 of this grant program guidance to determine match funding requirements. Discuss whether other funding sources are secured or pending.

Organizational Capability (Maximum of 25 points)

- What is the applicant organization's history of successfully managing projects? Provide several past project or planning examples. List partner organizations and agencies with which applicant cooperated to implement past projects or planning efforts.
- What level of staffing will be directed toward the implementation of the proposed project/planning effort? Discuss the number of staff and amount of time dedicated for the project. Include brief resumes for each member of the active project team.
- Demonstrate that the project budget and schedule are realistic. Please use the budget/timeline spreadsheet attached to the application. Please note that the start date will take place after funding awards are announced and grants are contracted.

Proposal Effectiveness (65 points)

- Provide an engineering feasibility study detailing technical aspects of the project, including:
 - Applicant information (type of organization, description of existing facilities/water system, service area description and map, water demands, number of customers/shareholders, source(s) of revenue, current rates or assessments).
 - Demonstrate the cost effectiveness of the proposed dredging activities effectiveness versus acquiring additional storage by other means, including purchase of storage rights or other physical means.
 - Description of selected project
 - Implementation schedule
 - Permitting summary
 - Summary of any institutional considerations (contracts, permits, and agreements required for project implementation)
- Describe the proposed monitoring or implementation plan. How will the project or plan measure success of its objectives?

An attempt will be made to fund all qualified projects at the same percentage level of funding. In the event that certain projects are not financially feasible at available funding levels, the scoring and ranking of the applications will be used by staff to determine which projects will receive funding.

C. Grant Program Administration

1. Application Timeline

The timeline for the grant application cycle is:

Applications available	November 30, 2016
First Round of applications due	February 1, 2017
First round of applications reviewed and approved	2017 March Board Meeting
Expected date of first round applications under contract	June 30, 2017
Second round of applications due (pending fund availability after first round)	February 1, 2018
Second round of applications reviewed and approved	2018 March Board Meeting
Expected date of second round applications under contract	June 30, 2018
Last date to encumber funds for projects	July 1, 2018

2. Grant Administration

Contracting:

After approval or conditional approval of funding by the Board, CWCB staff will direct the applicant to revise and supplement submitted documents if required for issuance of a purchase order or execution of a contract. Grants less than \$100,000 will be completed by use of a purchase order. Grants for \$100,000 or more will require execution of a contract.

Successful applicants are expected to execute a contract with CWCB within 6 months of award. If a grant is not executed within this timeframe, CWCB staff may return the funds back to the appropriate account.

Reporting Requirements:

Progress Reports: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of issuance of a purchase order, or the execution of a contract. The progress report shall describe the status 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. The CWCB may withhold reimbursement until satisfactory progress reports have been submitted.

Final Report: At completion of the project, the applicant shall provide the CWCB a final report on the applicant's letterhead that:

- Summarizes the project and how the project was completed.
- Describes any obstacles encountered, and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries of meetings and engineering reports/designs.

The CWCB will withhold disbursement the last 10% of the budget until the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

Payments:

Payment will be based on actual expenditures invoiced by the grantee. The request for payment must be transmitted on the grantee's letterhead, and shall include:

- Date of request
- Grantee's contact name, email address, physical address, and phone number
- Date of CWCB grant approval
- Contract or purchase order number
- Description of the work accomplished by major task as presented in the approved budget
- Supporting documentation for items or services billed
- 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

Grant Amendments:

Grants with the original scope may be amended as appropriate, including modifications to the Statement of Work, Budget, and Schedule; purchase order or contract extensions. All amendment requests shall be submitted on either the applicant's or the grantee's letterhead, and shall include:

- Date of request
- Date of CWCB approval
- Contract or purchase order number and expiration date
- Rationale for amendment
- Desired expiration date
- The signed Letter of Request shall be accompanied by (when applicable): a revised Statement of Work, Budget, and Schedule; a letter drafted by current Grantee requesting the release; a letter drafted by proposed Grantee accepting grant obligations and responsibilities; and an update Certificate of Insurance.