



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Carlee Brown, Chief, Interstate, Federal & Water Information Section
Steve Miller, Interstate, Federal & Water Information Section

DATE: May 18, 2017

AGENDA ITEM: 23. Criteria for Grant Applicants under Projects Bill Funding for
Technical Assistance for Federal Irrigation Improvement Cost Sharing
Programs

Background

Introduction

The 2017 Projects Bill has designated \$500,000 for technical assistance for federal irrigation improvement cost sharing programs (HB17-1248, Section 8). CWCB staff has drafted proposed criteria for providing grant funding for that technical assistance. Furthermore, CWCB staff requests Board approval for making \$200,000 of these funds available on an expedited basis.

2017 Projects Bill

As proposed, HB17-1248 Section 8 reads as follows:

Technical assistance for federal irrigation improvement cost-sharing program - appropriation. (1) For the 2017-18 state fiscal year, \$500,000 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 provide technical assistance for applicants seeking competitive federal grant funds.

Though the bill has not yet been enacted, CWCB staff wishes to obligate funds quickly when they become available. Several of the targeted federal competitive programs have application deadlines in August 2017, which requires access to the funds as soon as possible after July 1, 2017. Staff is proposing that \$200,000 of these funds be made available to water users on an expedited basis using the procedures and criteria described herein.



Similar Past Programs

Twice before, at the Board's request, the General Assembly has authorized similar technical assistance funding from the Construction Fund: (i) In 2014, to provide assistance to potential participants in the Colorado River Basin Salinity Control Program (CRBSCP) who were located within the Gunnison basin; and, (ii) in 2015, to provide assistance to potential participants in the USDA Regional Conservation Partnership Program (RCPP).

HB14-1333, SECTION 9. Gunnison basin irrigation system planning and optimization - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$250,000, or so much thereof as may be necessary, for the board to provide grants for engineering services to evaluate and design enhancements to nonfederal irrigation systems in a portion of the Gunnison basin, to allow owners of such systems to more effectively participate in the Colorado river basin salinity control program.

SB15-253, SECTION 7. Technical assistance for USDA regional conservation partnership program - appropriation. (1) For the 2015-16 state fiscal year, \$500,000 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 act, the department of natural resources may use this appropriation for the provision of technical assistance to applicants and participants in the regional conservation partnership program.

Both sources of funding have been fully committed to those purposes. A summary of the criteria and uses of each fund is attached.

During implementation of these programs, it became apparent that CWCB staff had limited ability to effectively meet the needs of water users due to location- or program-specific restrictions in the legislation. The new provision in HB17-1248 broadens the program with the ability to serve applicants from anywhere within Colorado, regardless of the federal program involved.

Federal Cost-Sharing Programs for Irrigation Improvement

The primary federal irrigation improvement grant programs that are most likely to be utilized in Colorado include:

1. **CRBSCP:** To reduce salt loading within the Colorado River Basin, a combined effort of U.S. Bureau of Reclamation (USBR) and U.S. Department of Agriculture (USDA) Natural Resources Conservation Service's (NRCS) Environmental Quality Incentives Program (EQIP) will upgrade irrigation distribution and on-farm application systems. This effort will be through competitive grants and cost sharing to local water users to reduce salt loading within the Colorado River Basin. (*Triennial CRBSCP grant cycle ends on November 14, 2017.*)
2. **RCPP:** A USDA nationwide program that can be used to upgrade all components of irrigation storage, distribution, and application systems to promote a variety of

resource benefits including water conservation, water quality, and habitat improvements. *(Annual grant cycle for 2018 ends on August 31, 2017.)*

3. **Additional NRCS programs:** General (Statewide and local) EQIP, Agricultural Water Enhancement Program (AWEP), and Conservation Innovation Grants (CIG).
4. **USBR WaterSMART:** WaterSMART Grants provide 50-50 cost share funding to irrigation and water districts, Tribes, States and other entities with water or power delivery authority. Projects should seek to conserve and use water more efficiently, increase the use of renewable energy, protect endangered species, or facilitate water markets. Projects are selected through a competitive process and the focus is on projects that can be completed within 24 months that will help sustainable water supplies in the western United States. *(Applications are due on January 18, 2018.)*

CWCB staff members are aware of at least two potential RCPP applicants and several dozen CRBSCP applicants from Colorado at this time.

New Program Criteria

Colorado's Water Plan recognizes the need to sustain the viability of productive agriculture while also providing other resource benefits, such as water quality improvements and water conservation. The Board has recognized the opportunity to significantly leverage federal dollars to meet State goals in the two earlier grant programs identified above, but those programs had geographic or programmatic restrictions that limited their ability to assist the best candidates. In addition, criteria for the earlier programs may have been unnecessarily complex and time consuming.

With several upcoming federal application deadlines in 2017, CWCB staff proposes to streamline the criteria and simplify the procedures for making technical assistance funds available as early in the application process as possible. The primary criteria will be eligibility for the particular federal program applied for, and the process seeks to allocate to award the available funds to all worthy applicants so that all have a fair chance at competing for the federal grants.

Staff Recommendation

Staff recommends that the Board authorize staff to utilize up to \$200,000 of the funds authorized in Section 8 of HB17-1248 as soon as they become available using the procedures and criteria set forth on the attached document entitled, "HB17-1248 Proposed Criteria and Procedures, May 4, 2017." The remaining \$300,000 should be reserved for Board action this fall.

HB17-1248 Proposed Criteria and Procedures
May 4, 2017

A. Proposed funds available for award in Calendar Year 2017 = \$200,000

B. Eligibility

- Units of Colorado local government: conservation district, water conservancy district, water conservation district.
- Environmental and conservation organizations: non-profits and 501(c) organizations.
- Incorporated ditch and irrigation companies selected by unit of local government.
- Must demonstrate eligibility for federal program.

C. Federal Project types (activities must be located in Colorado)

- Water conservation, irrigation efficiency enhancement (infrastructure).
- Encouraged to include elements of: stream restoration, invasive phreatophyte control, water quality enhancement, aquatic/riparian endangered species. habitat and mitigation, and soil health.

D. Technical assistance funds may be used as follows:

- No mandatory cost-share; significant federal funding already being leveraged.
- No reimbursement for in-kind services.
- Payment of reasonable administrative charges/fees allowed.
- Prefeasibility level design and cost estimates.
- Grant writing assistance.
- Capacity building and coordination with potential participants.
- Feasibility level design and cost estimates.
- Detailed design and cost estimates.
- Environmental compliance.

E. Procedure

- Availability announced on CWCB website.
- Rolling process timed to meet federal submittal deadlines.
- Director's discretion for grants less than \$25,000 to any single entity.
- Board approval for grants larger than \$25,000.
- If requests exceed available funds, applications evaluated on the following:
 - System is currently deemed a significant source of salinity loading.
 - Current system delivery efficiency and potential to improve.
 - Number of irrigated acres in service area and current average annual diversions.
 - Potential for additional on-farm irrigation system improvements.
 - Availability of storage to better utilize water saved through elimination of losses.

May 2017 Agenda Item 23 - Attachment 1

COLORADO WATER CONSERVATION BOARD Gunnison Basin Salinity Control Technical Assistance Grant Program Grant Guidance September 2014

I. Background

A. Introduction

The purpose of this Guidance and Procedures is to establish and describe the criteria and competitive process for the issuance and administration of grants from the Colorado Water Conservation Board (Board or CWCB) for the **Gunnison Basin Salinity Control Technical Assistance Grant Program (Salinity Tech Assist Grants)**. The Board 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 programs include: 1) Watershed & Flood Protection; 2) Water Supply Planning; 3) Finance; 4) Stream and Lake Protection; and 5) Interstate, Federal and Water Information. More information about the CWCB and its sections can be found at <http://cwcb.state.co.us>.

B. History

The Colorado River Basin Salinity Control Program (CRBSCP) is a federally authorized program to control and reduce salt loading to the Colorado River. The CRBSCP has been active in portions of the Gunnison basin since the 1980's, controlling saline return flows primarily by improving irrigation delivery systems (US Bureau of Reclamation) and increasing on-farm irrigation efficiencies (USDA-NRCS). More recently, the Gunnison Selenium Management Program (SMP) was created to address endangered fish recovery limitations linked to high selenium levels in the Gunnison and its tributaries. The establishment of the SMP was a requirement under the Record of Decision and the Biological Opinion for the Operations of the Aspinall Unit. The primary selenium control strategy adopted by the SMP is accelerated implementation of salinity control projects in the basin since selenium is derived from some of the same geological formations as are the sources salinity. Therefore, providing financial assistance to potential salinity control participants is of significant interest and benefit to the CWCB and the State of Colorado, generally.

Beginning in 1995 the US Bureau of Reclamation (USBR) introduced its Basinwide Program which makes grant awards for salinity control to owners of irrigation delivery systems through a competitive process called Funding Opportunity Announcements (FOA). *[Provide link to USBR's FOA website]* FOA's are offered approximately every three years, with the next one occurring in 2015. This Salinity Tech Assist Grants program is intended to assist the owners of certain irrigation infrastructure in the Gunnison Basin plan for and compete in the 2015 FOA by reimbursing them for a portion of the engineering services they retain for such purposes.

C. Authorization

HB14-1333, The Colorado Water Conservation Board Projects Bill authorizes this grant program: SEC. 9. Gunnison basin irrigation system planning and optimization ... \$250,000 ... to provide grants for engineering services to evaluate and design enhancements to nonfederal irrigation systems in a portion of the Gunnison basin, to allow owners of such systems to more effectively participate in the Colorado River Basin Salinity Control Program.

II. Grant Approval Criteria

A. Competitive Process

The CWCB will select applicants to receive individual grants of between \$3,000 and \$10,000 totaling up to \$150,000 from those eligible applicants that best meet the evaluation criteria below (Section III. A.-B.). The CWCB reserves the right to negotiate with successful applicants to modify the scope and/or budget of their projects to better meet CWCB objectives and fund availability. A minimum of four member evaluation team consisting of a CWCB staff member, a Colorado Department of Agriculture staff member, a US Bureau of Reclamation representative, and a representative of the Colorado River Water Conservation District will review the applications and recommend projects for grant funding.

B. Eligible Entities

Owners and/or operators of non-federal irrigation delivery system diverting water from the any portion of the Gunnison River Basin below the Aspinall Project are eligible to apply. Non-federal irrigation delivery systems for this purpose is defined as: irrigation delivery systems that are privately owned or organized under various state statutes related to irrigation companies and receive no federal O&M assistance, however they receive supplemental water from an adjacent or associated federal project. Salinity Tech Assist Grant applicants must also be eligible to apply for grants pursuant to USB's 2015 FOA. For purposes of determining 2015 eligibility the provisions of the 2012 FOA may be used. *[Provide link to USBR FOA website]*

C. Basic Application Criteria

Before scoring an application, an applicant must demonstrate that it has met the basic application criteria. Failure to meet any of these elements will result in rejection of the application. The basic application criteria are descriptions of how the project complies with the following criteria.

1. Basic eligibility requirements set forth in Section II.B.
2. Support for the grant application from water users served by the ditch company.
3. Demonstrated ability to provide the appropriate in-kind or cash match if needed, see reimbursement schedule at II.D.
4. Capacity to enter into a contract with the State of Colorado and be able to furnish a valid federal taxpayer ID number.
5. Demonstrated ability to accept grant funds from the CWCB pursuant to any limitations established by the TABOR Amendment (Taxpayer Bill of Rights) and any other relevant laws.

D. Reimbursement Schedule

Selected applicants will enter into a purchase agreement with the CWCB specifying the terms of the grant, including the following sliding scale reimbursement rates. Only services provided and invoiced by an engineering licensed to practice in Colorado are eligible for reimbursement.

Actual Invoiced Cost of Engineering services	Required Grantee Cost Share	Maximum CWCB Reimbursement
Up to \$2,500	0%	Up to \$2,500
\$2,500 - \$10,000	25% of the amount over \$2,500	Up to \$8,125
Over \$10,000	\$1,875 plus 50% of the amount over \$10,000	Up to \$10,000

E. Application Submittal and Format

Applications may be submitted electronically or by mail and must utilize the CWCB application template which will be provided to any interested party. Applications may be emailed to steve.miller@state.co.us. Applications exceeding 10mb in size should be mailed on CD or DVD to Steve Miller, 1313 Sherman St., Rm 721 Denver, Co 80211. The entire application, including attachments, should be submitted as one file in adobe ".pdf" format.

The application must include:

1. Detailed map of the project area showing relevant watercourses, irrigation infrastructure including all ditches and laterals, and the location of irrigated acres served by that system.
2. Estimated engineering budget including any matching fund sources. The budget will form the basis for a grant agreement with the CWCB and the structure for reimbursement.
3. Project schedule demonstrating ability to complete all activities and submit a responsive FOA application prior to the 2015 deadline (currently estimated as October 2015.).
4. Letters of commitment from any entity identified as providing matching funds, or otherwise contributing to the essential feasibility of the proposed project.
5. A full explanation of how the applicant meets the grant evaluation criteria.

Failure to include any of this information may result in rejection of the application.

III. Grant Evaluation Criteria

Applications will be rated based on the following evaluation criteria:

A. Organizational Capability [25%]

The Applicant should include information about its ability to utilize the grant funds. This type of information could relate to the following criteria or answer the following questions:

- Identify the lead project sponsor and describe any other stakeholders' level of participation and involvement.
- What is the applicant organization's history participation in the CRBSCP or any other programs that address irrigation efficiency or modernization? Provide any past project examples.
- What information is the project sponsor using to develop the proposed plan or project?
- 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
- Specify in-kind services and cash contributions (match) amount for the proposed activities
- Is the applicant willing to consider using loans from the CWCB's construction Fund as part of the funding package submitted to USBR in the 2015 FOA application? What is the applicants financial capacity to use such loan funding?

B. Effectiveness of the Project - Salinity Control Potential [75%]

The Applicant should include information about its ability to effectively control salinity. This type of information could relate to the following criteria or answer the following questions:

- System is currently deemed a significant source of salinity loading to the Gunnison Basin. Salinity loading is a function of the soils and geology in the service area and current irrigation system delivery efficiency. The best evidence of loading is written documentation from USBR containing salt loading factors for the applicant's system. Estimates from other sources will be considered if necessary.

- Current system delivery efficiency and potential to improve. Describe company's improvement goals and objectives.
- Number of irrigated acres in service area and current average annual diversions.
- Availability of storage to better utilize water saved through elimination of delivery losses.
- Potential for additional on-farm irrigation system improvements after delivery system is improved. Indicate likely willingness of water users to participate in USDA's EQIP in the future.

IV. Grant Program Administration

A. Application Timeline

The timeline for the Round 1 grant application cycle is:

Applications and criteria available: October 1, 2014

Deadline to submit applications: November 1, 2014

Applications selected for funding: November 15, 2014

Depending on interest and fund availability a Round 2 of grant applications may be solicited in early Spring of 2015.

B. Contact Information

Interested parties are strongly encouraged to call the CWCB to discuss potential applications. For more information please contact:

Steve Miller

Colorado Water Conservation Board

1313 Sherman St., Room 718.

Denver, Co 80203

303 866 3441, ext. 3228

steve.miller@state.co.us

C. Payment Procedure

The CWCB will reimburse grantees for eligible expenses upon proof that a responsive 2015 FOA application has been filed with USBR. Payments will be based on invoices and the sliding scale payment schedule. Eligible reimbursable expenses shall be limited to those items and rates in the approved budget which will be made a part of the grant contract between the applicant and the CWCB. Invoices must include supporting documentation justifying all claimed expenses and be based on the engineering company's established rate sheets.

May 2017 Agenda Item 23 - Attachment 2

Gunnison Basin Salinity Control TA Grant Program Funding Summary

Applicant	Request Date	Request Amount	Purpose	CWCB Approval	Approve Amount	Obligated to date
19 ditch and irrigation companies	7/1/15	\$1,000 - \$5,000	Prepare application for 2015 USBR Funding Opportunity Announcement (FOA)	By staff per criteria	\$82,612	\$82,612
Delta CD	7/1/15	\$30,000	Prepare application for 2015 USBR FOA for Fruitland and Cattlemans systems	By staff per criteria	\$27,750	\$27,750
Delta CD	2/1/17	\$100,000		By staff, per criteria	\$99,000	\$99,000
Shavano CD	4/1/17	\$50,000	Pre-planning assistance grants for 2017 FOA applicants with no previous FOA experience	By staff, per criteria	\$40,500	pending
Total					\$249,862	\$209,362

May 2017 Agenda Item 23 - Attachment 3

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

May 2017 Agenda Item 23 - Attachment 4

CWCB RCPP TECHNICAL ASSISTANCE PROGRAM Funding Summary

Applicant	Request Date	Request Amount	Purpose	CWCB Approval	Approve Amount	Obligated to date
CRWCD	11/15/16	\$5000	Pre-planning, outreach to participants Gunnison RCPP	Director, 11/15/16	\$5000	\$5000
CRWCD for Shavano CD & Delta CD	11/15/16	\$100,000	Administrative and technical assistance services not covered by USDA on Gunnison RCPP	Board, 11/ 15/16	\$50,000 per CD	\$100,000
CRWCD	5/4/16	\$370,000	Technical Assistance for plan and design of awarded components: Fire Mountain Canal Bostwick Park West Lateral Crawford WCD Grand View, Clipper	5/19/16	\$370,000	\$99,080 0 \$99,900
Silt WCD	4/14/17	\$5000	TA to prepare pre-application	4/14/17	\$5000	\$5000
Trout Unlimited	1/31/17 verbal	\$20,000	Technical Assistance on awarded Colorado Headwaters Project. Awaiting formal request with SOW and budget.	pending		
Total		\$500,000			\$480,000	\$308,980,