

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
Sept 19-21, 2017
Agenda Item 22(j)

Applicant & Grantee: Colorado Rio Grande Restoration Foundation

Water Activity Name: Five Ditches: Rio Grande Diversion and Headgate Improvement

Water Activity Purpose: Agricultural Implementation

County: Rio Grande

Drainage Basin: Rio Grande

Water Source: Rio Grande

Amount Requested: \$98,000 Rio Grande Basin Account
\$882,000 Statewide Account
\$980,000 Total Grant Request

Matching Funds: Basin Account Match (\$98,000) = 11.1% of Statewide Account request (meets 10% min)
Applicant & 3rd Party Match (\$2,035,500 cash & in-kind) = 231% of Statewide Account request (meets 10% min)
Total Match (Basin & Applicant/3rd Party Match of \$2,133,500) = 242% of Statewide Account request (meets 50% min)
(refer to *Funding Summary/Matching Funds* section)

Staff Recommendation:

Staff recommends approval of up to \$98,000 from the Rio Grande Basin Account and up to \$882,000 from the Statewide Account to help fund the project titled: Five Ditches: Rio Grande Diversion and Headgate Improvement.
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Water Activity Summary: The Consolidated Ditch, Pace Ditch, San Luis Valley Canal, Centennial Ditch, and Rio Grande #2 Ditch divert water off the Rio Grande to irrigate a combined 35,906 acres of agricultural land. Each ditch is facing issues of aging and inefficient diversion infrastructure and the river is impacted by nearby channel instability and sedimentation. WSRF grant funds, if approved, will help the Colorado Rio Grande Restoration Foundation (RGSWA) address identified issues by funding the construction of diversion and headgate replacements, as well as streambank stabilization and riparian restoration adjacent to each location as follows. The project will replace the Rio Grande #2 diversion and headgate, the Consolidated and Pace Ditch diversion and headgates, the SLV Canal headgate, and the Centennial Ditch Diversion, and stabilize a total of 3,500 streambank miles.

Each ditch company will benefit from improved efficiency and reduced maintenance. The project will enhance water quality by reducing sediment input, improve riparian condition, improve aquatic and wildlife habitat, and enhance local recreation and community safety by ensuring diversions are passable by fish and boats where appropriate. When complete, the project will help ensure that the Rio Grande can continue to support the diverse human, agricultural, and ecological communities that depend on it.

Discussion: As described in the Rio Grande Basin Roundtable Chair's Recommendation Letter, this project was supported and recommended for approval by the roundtable on July 11, 2017. The Five Ditches Project is a structural project that will improve the ability of the Rio Grande to meet consumptive and non-consumptive needs by replacing poorly functioning diversions and headgates for five ditches while stabilizing streambanks and increasing the ability of the river to transport water. Cumulatively, the Five Ditches Project will benefit 143 individual stakeholders who divert a total of over 85,000 acre-feet and irrigate 35,906 acres.

In addition to meeting many of the Rio Grande Basin Goals (#1,2,4,5,6,7,9,10,11,12,14), the project aligns with the Colorado Water Plan's policy to identify and implement projects to meet community and agricultural water needs, while balancing the needs of the environment and recreation (see Critical Goals and Actions as identified in *Chapter 10.3.D: Agriculture, 10.3.E. Storage, and 10.3.F. Watershed Health, Environment, and Recreation.*). The development of the Five Ditches Project is a result of years of planning and collaboration between multiple ditch companies, State and Federal agencies, San Luis Valley nonprofit organizations, and area landowners, farmers, and ranchers. Participation from diverse stakeholders ensures that both consumptive and non-consumptive needs are being met through the design and implementation of each project component. In addition, Project partners have raised a significant amount of funding through NRCS programs, landowners, and in-kind contributions totaling 74% of the project cost. Without the requested WSRF funds, partners would likely not be able to raise sufficient dollars out of pocket or from other grant sources in time to retain the grants currently secured. As such, WSRF funds are critical to complete the Project.

As the Rio Grande Basin faces water shortages and prolonged drought, the need for accurate water management becomes increasingly crucial. The Project will assist in administration of the Rio Grande Compact as it includes installation of automated measuring gates on several headgates and improvements to the gauging stations in the ditches. These improvements will assist the Division Engineer in water management and meeting the Rio Grande Compact.

Issues/Additional Needs: No issues or additional needs have been identified.

Eligibility Requirements: The application meets requirements of the three subsections of the Eligibility Requirements: General Eligibility, Entity Eligibility, and Water Activity Eligibility.

Funding Match Requirements: This application meets the Basin Account Matching requirements.

Evaluation Criteria: This activity has undergone review and evaluation and staff has determined that it satisfies the Evaluation Criteria. Please refer to Basin Roundtable Chair's Recommendation Letter and the WSRF Grant Application for applicant's detailed response.

Funding Summary / Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
Natural Resources Conservation Service (EQIP)	\$750,000	\$180,000	\$930,000
Consolidated Ditch and Headgate Company (CWCB Loan)	\$650,000	\$0	\$650,000
Centennial Ditch Company (CWCB Loan)	\$230,000	\$0	\$230,000
San Luis Valley Canal Company	\$200,000	\$0	\$200,000
Rio Grande Ditch #2	\$7,500	\$8,000	\$15,500
Colorado Rio Grande Restoration Foundation	\$0	\$10,000	\$10,000

Subtotals	\$1,837,500	\$198,000	\$2,035,500
WSRF Statewide Account	\$882,000		\$882,000
WSRF Rio Grande Basin Account	\$98,000		\$98,000
Totals	\$2,817,500	\$198,000	\$3,015,500

CWCB Project Manager: Jonathan Hernandez