



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

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

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

DATE: January 3, 2017

AGENDA ITEM: 23 (a-c): WSRF Grant Requests

Staff Recommendation - Action Items: WSRF Grant Requests

A summary of staff's recommendation for each WSRF application is provided in the first component of the attached table. If applicable, the table also includes a breakdown of match amounts for applications that include a request for Statewide Account WSRF funds.

Favorable recommendations may be contingent on providing the CWCB with additional information, clarifications, or modifications in the scope of work. Please refer to the Water Activity Summary Sheets contained within this agenda item to find a summary of staff's review and any conditions associated with each recommendation.

Background:

For this agenda item the Board is provided with a brief overview of applications to the Water Supply Reserve Fund (WSRF). Attachments to this memo include:

- Summary spreadsheet detailing funding requests for the basin and statewide accounts;
- Summary spreadsheet displaying current WSRF Balance Summary of Fund Appropriations and Receipts by Fiscal Year, and Fund Distribution by Basin and Statewide Account.
- Water Activity Summary Sheets which provide an overview, discussion, issues/additional needs, and staff recommendation regarding funding, partial funding, or not funding the applications.

Staff's review of the applications involves the following steps:

- 1) Applications are reviewed for completeness based on the information requirements, which are primarily outlined in the Criteria and Guidelines (C&G).
- 2) Applications are reviewed to verify that the water activity meets the eligibility requirements in Section 39-29-108 (III) C.R.S. (C&G, Part 2) and the threshold criteria, which are based on the requirements of Section 39-29-108 (III) C.R.S., and two



sections of the Water for the 21st Century Act (House Bill 1177); Section 37-75-102 and Section 37-75-104(2)(c) (C&G, Part 3). Staff also verifies that the applicant was an eligible entity to receive funding (C&G, Part 2).

- 3) Staff then prepares the Water Activity Summary Sheet which documents the outcome of the review process and contains staff's recommendations.

Water Supply Reserve Fund Balance Summary and Project Status Report:

To provide the Board updates on the status of specific Water Supply Reserve Fund grant applications and projects, staff can provide a status report of the following information upon request:

- List of completed WSRF projects;
- List of WSRF projects in progress; and
- List of WSRF projects in the contracting and procurement process.



COLORADO WATER CONSERVATION BOARD
Water Supply Reserve Fund - Balance Summary
January 2018

1/4/2018

Fund Appropriation and Receipts				
Fiscal Year	Legislative		Statewide	
	Appropriation	Funds Received	Account	Basin Account
2006/2007	\$10,000,000	\$10,000,000	\$5,500,000	\$4,500,000
2007/2008	\$6,000,000	\$6,000,000	\$4,200,000	\$1,800,000
2008/2009	\$10,000,000	\$7,000,000	\$4,300,000	\$2,700,000
2009/2010	\$5,775,000	\$5,775,000	\$4,215,750	\$1,559,250
2010/2011	\$6,000,000	\$6,000,000	\$4,380,000	\$1,620,000
2011/2012	\$7,000,000	\$7,000,000	\$4,732,000	\$2,268,000
2012/2013	\$10,000,000	\$7,157,724	\$4,580,943	\$2,576,781
2013/2014	\$10,000,000	\$10,091,639	\$6,458,649	\$3,632,990
2014/2015	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2015/2016	\$10,000,000	\$9,103,590	\$5,826,298	\$3,277,292
2016/2017	\$0	\$0	\$0	\$0
2017/2018	\$10,000,000	\$1,455,776	\$931,697	\$524,079
2017/2018 CF	\$10,000,000	\$7,000,000	\$4,480,000	\$2,520,000
Interest	N/A	\$2,857,935	\$1,829,078	\$0
Prior Years Interest Adjustment			\$1,028,856	\$0
2014/2015 Interest	N/A	\$ 240,216	\$240,216	\$0
2015/2016 Interest	N/A	\$ 219,458	\$219,458	\$0
2016/2017 Interest	N/A	\$ 223,936	\$223,936	\$0
2017/2018 Interest		\$ 20,199	\$20,199	\$0
TOTAL	\$104,775,000	\$90,145,472	\$59,567,079	\$30,578,392

Note: The WSRF is a Severance Tax "Tier II" program & CF Funding with 40% of funds distributed on July 1, 30% on January 1, and the final 30% on April 1. In FY 2008/2009 the final 30% installment of \$3,000,000 was not received due to the State's budgetary shortfall.
In January 2012 interest for the program from its inception to date was credited directly to the Statewide Account.
Interest from January 2012 on is regularly calculated by the Treasury and credited to the Statewide Account.

Fund Distribution					
Basin	Approved Basin Grants	Total Basin Funds	Basin Account Balance	Approved State Grants	Statewide Account Balance
Arkansas	\$3,277,482	\$3,397,599	\$120,117	\$10,753,801	
Colorado	\$2,841,079	\$3,397,599	\$556,520	\$6,283,985	
Southwest *	\$2,900,982	\$3,397,599	\$496,617	\$7,293,244	
Gunnison *	\$2,881,110	\$3,397,599	\$516,489	\$5,608,014	
Metro	\$2,780,031	\$3,397,599	\$617,568	\$7,531,732	
North Platte	\$2,209,668	\$3,397,599	\$1,187,931	\$540,942	
Rio Grande	\$3,013,712	\$3,397,599	\$383,887	\$11,267,323	
South Platte *	\$2,801,575	\$3,397,599	\$596,024	\$7,279,112	
Yampa/White	\$2,350,419	\$3,397,599	\$1,047,180	\$847,969	
TOTAL	\$25,056,058	\$30,578,392	\$5,522,334	\$57,406,122	\$2,160,957
TOTAL APPROVED GRANTS					\$82,462,180

Note: Only includes grants approved by CWCB

Water Supply Reserve Fund Applications for Consideration at the January 2018 CWCB Board Meeting												
Agenda Item	Basin	Applicant	Name of Water Activity	Basin(s) Account Request	Statewide Account Requests	Total Request	Non-WSRF Cash Match	Non-WSRF In-Kind Match	Non-WSRF Total Match	Total Project Costs	Staff Recommendations	PM
23 (a)	Colorado	Eagle County Cons District	CoAgMet	\$10,000	\$0	\$10,000	\$10,000	\$0	\$10,000	\$20,000	Staff recommends approval of up to \$10,000 from the Colorado Basin Account	Megan Holcomb
23 (b)	Colorado	Highland Meadow Estates at Castle Peak Ranch Homeowners' Association, Inc.	Olesen Ditch Pipeline Project	\$50,000	\$0	\$50,000	\$109,313	\$0	\$109,313	\$159,313	Staff recommends approval of up to \$50,000 from the Colorado Basin Account	Megan Holcomb
23 (c)	Rio Grande	Rio Grande Watershed Conservation & Education Initiative	Rio Grande Basin Roundtable Communication & Media Plan	\$64,480	\$0	\$64,480	\$24,000	\$22,500	\$46,500	\$110,980	Staff recommends approval of up to \$64,480 from the Rio Grande Basin Account	Megan Holcomb
				\$124,480	\$0	\$124,480						

<u>Basin</u>	<u>Basin Account Requests</u>	<u>Statewide Account Requests</u>	<u>Total Requests</u>	<u>Current Basin Account Balances</u>	<u>Remaining Basin Account Balances (if all requests approved)</u>	<u>Current Statewide Account Balance</u>	<u>Remaining Statewide Account Balance (if all requests approved)</u>
<u>Arkansas Basin</u>	\$0	\$0	\$0	\$120,117	\$120,117		
<u>Colorado Basin</u>	\$60,000	\$0	\$60,000	\$556,520	\$496,520		
<u>Gunnison Basin</u>	\$0	\$0	\$0	\$516,489	\$516,489		
<u>Metro Basin</u>	\$0	\$0	\$0	\$617,568	\$617,568		
<u>North Platte</u>	\$0	\$0	\$0	\$1,187,931	\$1,187,931	\$2,160,957	\$2,160,957
<u>Rio Grande</u>	\$64,480	\$0	\$64,480	\$383,887	\$319,407		
<u>Southwest</u>	\$0	\$0	\$0	\$496,617	\$496,617		
<u>South Platte</u>	\$0	\$0	\$0	\$596,024	\$596,024		
<u>Yampa/White/Green</u>	\$0	\$0	\$0	\$1,047,180	\$1,047,180		
<u>Water Supply Reserve Account Total Requests</u>	\$124,480	\$0	\$124,480	\$5,522,333	\$5,397,853		

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
Jan 21-22, 2018
Agenda Item 23(a)

Applicant & Grantee: Eagle County Conservation District
Water Activity Name: CoAgMet Station #2
Water Activity Purpose: Agricultural Implementation
County: Eagle
Drainage Basin: Colorado
Water Source: N/A
Amount Requested: \$10,000 Colorado Basin Account
Matching Funds: Applicant Match (cash & in-kind) = \$10,000

- 100% of the Basin Account request (meets 25% min)
- 50% of the total project cost of \$10,000

Staff Recommendation:

Staff recommends approval of up to \$10,000 from the Colorado Basin Account to help fund the project titled: CoAgMet Station #2.

Water Activity Summary: WSRF grant funds, if approved, will help Eagle County Conservation District (ECCD) order and install a CoAgMet (Colorado Agricultural Meteorological Station) on land centrally located in Eagle County for the benefit of the entire farming community and the general population. The CoAgMet machines are in high demand and ECCD plans to purchase another unit in March of 2018. A second station will vastly expand the regional network of data and how Eagle County can report for upcoming growing seasons and irrigation scheduling recommendations. There are currently 75 existing stations in the state of Colorado. The majority of these stations have continued support from local conservation districts (CD). The closest stations supported by other conservation districts are the Carbondale station (Mt Sopris CD) and the Silt station (Bookcliffs CD). Data gathered from this second device will be used to educate residents of Eagle County on water efficiency; the information gathered, such as soil and weather data, will make for better water use throughout ECCD's community, including for crop farming, private gardens, lawns, irrigation control and weed management. Eagle County will also host a workshop to educate the community on how to access and use the data via an online portal for improving irrigation practices.

Discussion: As described in the Colorado basin roundtable (BRT) chair's recommendation letter, this project was supported and recommended for approval by the roundtable in September 2017. The project scored 8.25 of a possible 14.25 points on the Colorado BRT scoring matrix which measures how grants address roundtable objectives. This project assists in satisfying Colorado's Water Plan Critical Goals and Actions as identified in Chapter 10.3, D. Agriculture: Support Agricultural Conservation and Efficiency.

Issues/Additional Needs: Staff will work cooperatively with the grantee to further develop a project budget and schedule that meets the needs of the applicant and State Controller's Office.

Eligibility Requirements: The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match 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>
Eagle County Conservation District	\$10,000	\$0	\$10,000
WSRF Colorado Basin Account	\$10,000	n/a	\$10,000
Totals	\$20,000	\$0	\$20,000

CWCB Project Manager: Megan Holcomb

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
Jan 21-22, 2018
Agenda Item 23(b)

Applicant & Grantee: Rio Grande Watershed Conservation & Education Initiative
Water Activity Name: 2018-2020 Roundtable Media & Communications Outreach Project
Water Activity Purpose: Education and Outreach Implementation
Counties: Alamosa, Mineral, Rio Grande, Costilla, Conejos, & Saguache
Drainage Basin: Rio Grande
Water Source: N/A
Amount Requested: \$64,480 Rio Grande Basin Account
Matching Funds: Applicant Match (cash & in-kind) = \$46,500

- 72% of the Basin Account request (meets 25% min)
- 42% of the total project cost of \$110,980

Staff Recommendation:

Staff recommends approval of up to \$64,480 from the Rio Grande Basin Account to help fund the project titled: 2018-2020 Roundtable Media & Communications Outreach Project.

Water Activity Summary: WSRF grant funds, if approved, will help the Rio Grande Watershed Conservation & Education Initiative continue the communications and media efforts of the Rio Grande Roundtable’s Public Outreach and Public Education by using WSRF funds to provide administrative support for a three year cycle of interrelated communication and media strategies on behalf of the roundtable to be undertaken by a variety of partners. The purpose of these strategies is to provide high quality products that will promote roundtable projects, partners, and relevant community issues. The strategies were chosen and vetted by the Education Committee and reflect the needs of the roundtable for engaging and informative interaction with the community. All the strategies have multiple purposes and will include collaborations and partnerships to achieve success.

Outreach strategies include a total of six video vignettes; these 5-7 minute videos will be cost-shared with other partners on topics that are related to the many different uses of water in the Valley such as reservoirs, municipal use, recreation, radar snow forecasting, industrial, agriculture, private/public partnerships, and mining/reclamation. While identified as “To Be Determined” on the application, the first year’s videos are firm with Conejos Water Conservancy District covering the radar/snow forecast project and a group of local organizations focusing on water in recreation (SLV GO, and Adams State Adventure Program). The other video topics remain open to allow for discussion and ideas within the Rio Grande Roundtable, but other organizations have expressed interest such as the Colorado Potato Administrative Committee and industrial/municipal water use organizations. In addition to the video vignettes, a website designer will build the additional website pages needed for an interactive map highlighting past, present, and projected roundtable funded projects, an FAQ section, more contact information, and linking to partner websites, relevant projects, and state sites. Lastly, funds with support a quarterly community newsletter with updated activities, projects, and

information about roundtable projects, meetings, and related local and state projects which may be disseminated through email blasts, partner websites, and social media.

Discussion: As described in the Rio Grande Basin Roundtable Chair’s Recommendation Letter, this project was supported and unanimously recommended for approval by the roundtable on November 14, 2017. This project assists in satisfying Colorado’s Water Plan Critical Goals and Actions as identified in Chapter 10.3, H. Education, Outreach, and Innovation. As mandated by the Colorado Water Plan, PEPO activities are vital to facilitating community understanding of and engagement with water use, particularly within the Rio Grande Basin. This project’s scope also encompasses the Rio Grande Basin Plan’s goal to “encourage projects with multiple benefits” and to identify “as desirable projects and methods that meet multiple benefits and uses.” This project’s multi-pronged approach will reach a wide variety of community members through several means, continuing the education plan as outlined by the Basin.

Issues/Additional Needs: Staff will work cooperatively with the grantee to further develop a project budget and schedule that meets the needs of the applicant and State Controller’s Office.

Eligibility Requirements: The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match 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>
TBD	\$24,000	\$12,000	\$36,000
Rio Grande Headwaters Restoration Project	\$0	\$7,500	\$7,500
Rio Grande Watershed Conservation & Education Initiative	\$0	\$3,000	\$3,000
Subtotal Match Funding	\$24,000	\$16,500	\$46,500
WSRF Rio Grande Basin Account	\$64,480	n/a	\$64,480
Totals	\$88,480	\$16,500	\$110,980

CWCB Project Manager: Megan Holcomb

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
Jan 21-22, 2018
Agenda Item 23(c)

Applicant & Grantee: Highland Meadow Estates at Castle Peak Ranch Homeowners' Association, Inc.

Water Activity Name: Olesen Ditch Pipeline Project

Water Activity Purpose: Agricultural Implementation

County: Eagle

Drainage Basin: Colorado

Water Source: Eby Creek / Noecker Reservoir

Amount Requested: \$25,000 Colorado Basin Account

Matching Funds: Applicant Match (cash & in-kind) = \$109,313

- 437% of the Basin Account request (meets 25% min)
- 44% of the total project cost of \$250,000

Staff Recommendation:

Staff recommends approval of up to \$25,000 from the Colorado Basin Account to help fund the project titled: Olesen Ditch Pipeline Project.

Water Activity Summary: WSRF grant funds, if approved, will help Highland Meadow Estates at Castle Peak Ranch Homeowners' Association, Inc. improve water use efficiency within the Olesen Ditch delivery system. The primary concern associated with Olesen Ditch is the 1.1 cfs of water loss throughout the open channel. The community has been aware of the problem since 2013 and a stream flow study (July 2013) identified specific areas of significant loss.

Olesen Ditch diverts off of Eby Creek, a tributary to the Eagle River in Eagle County, Colorado. The main Olesen Ditch headgate, used for the initial diversion from Eby Creek, is located on the southeast bank of Noecker Reservoir. The objective of this project is to improve water use efficiency through the installation of an HDPE (high-density polyethylene) pipe to prevent erosion, water loss, and water conveyance evaporation loss. A buried pipeline will be installed to convey water from the source of Noecker Reservoir in the alignment of the Olesen Ditch to the confluence with Castle Creek Ditch (total of 7,660 feet). The project estimates approximately 70 acre-feet/year in efficiency savings to help ensure dependable basin administration and improve the delivery infrastructure and efficiency for better crop yield (hay crop). Highland Meadow Estates at Castle Peak Ranch Homeowners' Association, Inc. is a rural subdivision located in Eagle County; 24 water owners will directly benefit from this project. There are an additional 17 owners on Castle Ditches 1 & 2 (located off the Eby Creek drainage) that will benefit indirectly as well.

Discussion: As described in the Colorado basin roundtable (BRT) chair's recommendation letter, this project was supported unanimously by email balloting and recommended for approval by the roundtable in September 2017. The association's original grant request for \$50,000 was halved by the roundtable to \$25,000 as an economy measure to preserve the Colorado basin WSRF balance. The

project scored 10.25 of a possible 14.25 points on the Colorado BRT scoring matrix which measures how grants address roundtable objectives. This project assists in satisfying Colorado’s Water Plan Critical Goals and Actions as identified in Chapter 10.3, D. Agriculture: Support Agricultural Conservation and Efficiency, as well as Colorado Basin Implementation Plan “sustaining agriculture and improving efficient water use” objectives. It could also be a mechanism for advancing water education in Eagle County. The Colorado BRT previously helped fund the “Eagle County Conservation District Irrigation Asset Inventory of the Olesen Ditch” (Sept 2016) which documents in detail the deficiencies of the Olesen Ditch.

Issues/Additional Needs: Applicant has identified only 54% of funding sources to meet project budget. Staff will work cooperatively with the grantee to ensure enough funding for project success prior to contracting. Staff will assist grantee in developing a project budget and schedule that meets the needs of the applicant and State Controller’s Office.

Eligibility Requirements: The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match 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	\$109,313	\$0	\$109,313
Undefined	\$115,687	\$0	\$115,687
WSRF Colorado Basin Account	\$25,000	n/a	\$25,000
Totals	\$250,000	\$0	\$250,000

CWCB Project Manager: Megan Holcomb