



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

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

DATE: October 29, 2018

AGENDA ITEM: 18 (a-c): Nov 2018 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
October 1, 2018

9/27/2018

Fund Appropriation and Receipts				
Fiscal Year	Legislative Appropriation	Funds Received	Statewide 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
2018/2019 CF	\$0	\$1,544,884	\$988,726	\$556,158
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	N/A	\$ 376,467	\$376,467	\$0
2018/2019 Interest	N/A	\$ 34,559	\$34,559	\$0
TOTAL	\$104,775,000	\$92,081,183	\$60,946,632	\$31,134,551

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	\$3,355,174	\$3,459,395	\$104,221	\$11,474,935	
Colorado*	\$3,321,979	\$3,459,395	\$137,416	\$6,283,985	
Southwest *	\$3,165,277	\$3,459,395	\$294,118	\$7,786,644	
Gunnison *	\$3,072,110	\$3,459,395	\$387,285	\$5,968,714	
Metro *	\$2,872,531	\$3,459,395	\$586,864	\$7,461,732	
North Platte	\$2,543,568	\$3,459,395	\$915,827	\$540,942	
Rio Grande*	\$3,398,343	\$3,459,395	\$61,052	\$12,119,690	
South Platte *	\$2,985,675	\$3,459,395	\$473,720	\$7,619,612	
Yampa/White	\$2,439,419	\$3,459,395	\$1,019,976	\$847,969	
TOTAL	\$27,154,076	\$31,134,551	\$3,980,479	\$60,104,223	\$842,409
TOTAL APPROVED GRANTS					\$87,258,299

Note: Only includes grants approved by CWCB

* Comments reflect adjustments to balances

Water Supply Reserve Fund Applications for Consideration at the November 2018 CWCB Board Meeting

Agenda Item	Basin	Applicant/Grantee	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	Statewide Match (Basin & Non-WSRF)	Total Project Costs	Staff Recommendations	PM
18(a)	Metro	Thunderbird Water & Sanitation District	Connection Feasibility Analysis	\$15,000	\$0	\$15,000	\$5,000	\$500	\$5,500	n/a	\$20,500	Staff recommendations approval of up to \$15,000 from the Metro Account.	Megan Holcomb
18(b)	Colorado	Northwest Colorado Council of Governments	Water savings measures in land use codes in the headwaters	\$5,000	\$0	\$5,000	\$43,985	\$25,500	\$69,485	n/a	\$74,500	Staff recommendations approval of up to \$5,000 from the Colorado Basin Account.	Megan Holcomb
18(c)	Yampa/White/Green	White River Conservation District	White River Algae Research Project	\$99,000	\$0	\$99,000	\$291,500	\$182,547	\$474,047	n/a	\$573,047	Staff recommendations conditional approval of up to \$99,000 from the Yampa/White/Green Basin Account.	Craig Godbout

Subtotal

\$119,000 \$0 \$119,000

<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)</u>	<u>Current Statewide Account Balance</u>	<u>Remaining Statewide Account Balance (if all requests approved)</u>
Arkansas Basin	\$0	\$0	\$0	\$104,221	\$104,221		
Colorado Basin	\$5,000	\$0	\$5,000	\$137,416	\$132,416		
Gunnison Basin	\$0	\$0	\$0	\$387,285	\$387,285		
Metro	\$15,000	\$0	\$15,000	\$586,864	\$571,864		
North Platte	\$0	\$0	\$0	\$915,827	\$915,827	\$842,409	\$842,409
Rio Grande	\$0	\$0	\$0	\$61,052	\$61,052		
Southwest	\$0	\$0	\$0	\$294,118	\$294,118		
South Platte	\$0	\$0	\$0	\$473,720	\$473,720		
Yampa/White/Green	\$99,000	\$0	\$99,000	\$1,019,976	\$920,976		
Water Supply Reserve Fund Total Requests	\$119,000	\$0	\$119,000	\$3,980,475	\$3,861,475		

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
November 15, 2018
Agenda Item 18(a)

Applicant & Grantee: Thunderbird Water & Sanitation District
Water Activity Name: Connection Feasibility Analysis
Water Activity Purpose: Municipal/Industrial Study
County: Douglas
Drainage Basin: South Platte
Water Source: Water Infrastructure and Supply Efficiency (WISE) Project
Amount Requested: \$15,000 Metro Account
Matching Funds: Applicant Match (in-kind only) = \$5,500

- 36.7% of the basin request (meets 25% min)
- 26.8% of the total project cost of \$20,500

Staff Recommendation:
Staff recommends approval of up to \$15,000 from the Metro Account to fund the project: Connection Feasibility Analysis.

Water Activity Summary: WSRF grant funds, if approved, will support a feasibility analysis to connect Dominion Water & Sanitation District's (DWSD) water supply to Thunderbird Water & Sanitation District's (TWSD) main water tank. TWSD is a Water Receiving Authority under the Chatfield Valley Water Supply Framework, and has been discussing a potential water-supply agreement with DWSD. It has become apparent that the most straightforward way to effect a transfer is to connect the DWSD planned "high" tank to TWSD's "high" tank. Objectives of the analysis are to gather specific site data, develop pipeline route alternatives, and design a feasibility report comparing those alternatives, including an opinion of probable cost for each potential route and connection.

Discussion: As described in the Metro Roundtable chair's recommendation letter, this project was supported and recommended for approval on October 11, 2018. If effected, this overall project could facilitate a significant reduction in TWSD's reliance on non-renewable non-tributary groundwater. DWSD's water source is predominately renewable (WISE) water. As such, we feel that our request satisfies Metro Roundtable's guidelines in multiple ways:

- 1) Implementation will reduce the Metro Area M&I Gap while also maximizing the beneficial use of groundwater supplies.
- 2) This project's use of WISE water is an example of leveraging past funding for water reuse.
- 3) This new conveyance mechanism will enhance TWSD's supply reliability while also allowing more effective use of groundwater.
- 4) The project piggybacks on the WISE project's successive use and reuse of water, extending the geographic penetration of WISE water.

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

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Summary / Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
Thunderbird Water & Sanitation District	\$5,000	\$500	\$5,500
WSRF Metro Account	\$15,000	n/a	\$15,000
Totals	\$20,000	\$500	\$20,500

CWCB Project Manager: Megan Holcomb

**Water Supply Reserve Fund
Water Activity Summary Sheet
November 15, 2018
Agenda Item 18(b)**

Applicant & Grantee: Northwest Colorado Council of Governments
Water Activity Name: Water Savings Measures in Land Use Codes in the Headwaters
Water Activity Purpose: M&I, Environmental Study
County: Grand, Summit, Pitkin, and Eagle
Drainage Basin: Colorado
Water Source: N/A
Amount Requested: \$5,000 Colorado Basin Account
Matching Funds: Applicant Match (cash & in-kind) = \$44,485

- 890% of the Basin Account request (meets 25% min)
- 59.7% of the total project cost of \$74,485

Staff Recommendation:

Staff recommends approval of up to \$5,000 from the Colorado Basin Account to help fund the project titled: Water Savings Measures in Land Use Codes in the Headwaters.

Water Activity Summary: WSRF grant funds, if approved, will support the Northwest Colorado Council of Governments (NWCCOG) work plan, acting through its Water Quality and Quantity (QQ) Committee. This three part project aims to: (1) assess existing water savings and water quality measures in land use codes in the QQ region; (2) develop model performance standards for water savings, tailored to the rural headwaters nature of the QQ region; and (3) provide technical assistance to integrate the model standards into up to five communities in the QQ region.

Specifically, the Roundtable's money would be used to develop the model performance standards for water savings and to offset costs to local governments for technical assistance to update their land use codes. Other significant project costs will be borne by QQ through the work of their contract staff and through a CWCB Water Plan Implementation Grant. The project benefits communities in the headwaters of the Colorado, Yampa, Gunnison and South Platte basins through their membership to QQ. Assessing local governments for the adequacy of their water quality protections will support non-consumptive environmental needs in the region, and assessing water savings measures should address future consumptive needs (although this particular work will not calculate water saved from the project).

Discussion: As described in the Colorado Basin Roundtable chair's recommendation letter, this project was supported and recommended for approval by the roundtable on September 24, 2018. QQ's proposed project supports a central goal of Colorado's Water Plan (CWP), namely that 75% of Coloradans will live in communities that have incorporated water-saving actions into land-use planning (CWP Ch. 6.3.3).

NWCCOG is a voluntary association of county and municipal governments in Grand, Summit, Eagle and Pitkin counties. The NWCCOG Water Quality/Quantity Committee (QQ) comprises municipalities, counties, water and sanitation districts, and conservancy districts, in the NWCCOG region and in Park and Gunnison Counties. The project directly addresses three of the seven themes outlined in the Colorado Basin Implementation Plan: (1) encourage a high level of basinwide conservation (theme 4, p. 16); (2) develop local water-conscious land use strategies (theme 5, p. 17); and (3) protect and restore streams, rivers, lakes and riparian areas (theme 1, p. 15).

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

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Summary / Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
NWCCOG	\$19,000	\$25,500	\$44,500
CWCB Colorado Water Plan Grant	\$25,000	\$0	\$25,000
WSRF Colorado Basin Account	\$5,000	n/a	\$5,000
Totals	\$49,000	\$25,500	\$74,500

CWCB Project Manager: Kevin Reidy

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
November 14-15, 2018
Agenda Item 18(c)

Applicant & Grantee: White River Conservation District
Water Activity Name: White River Algae Research Project
Water Activity Purpose: Multipurpose (Environmental/Recreational/Agricultural/M&I)
County: Rio Blanco
Drainage Basin: Yampa-White-Green
Water Source: White River
Amount Requested: \$99,000 Yampa-White-Green Basin Account
Matching Funds: Applicant & 3rd Party Match (Secured only cash & in-kind) = \$303,047
• 306% of the Basin Account request (meets 25% min)

Staff Recommendation:

Staff recommends conditional approval of up to \$99,000 from the Yampa-White-Green Basin Account to help fund the project titled: White River Algae Research Project, contingent upon the conditions stated in the Issues/Additional Needs section below.

Water Activity Summary: WSRF grant funds, if approved, will assist the White River Conservation District and the United States Geological Survey to improve their understanding of the cause of the excessive amount of benthic algae in the White River over the past 4-5 years. A better understanding based on science is expected to lead to the conception of mitigation strategies and management plans for decreasing benthic algae in the White River. This grant request is for data collection and analysis to be performed in 2019 -2021. USGS will have identified and began data collection in 20 semi-random sites in the White River above Meeker. Data collection in FY 2019 will include the following tasks: Scouring Flows, Scouring Flow Analysis, Pre/Peak and Post-Algae and water quality sampling events and Analysis and publication of results in the final year. Evaluation of data collected in 2018 and 2019 will determine if it will be necessary to conduct a third year (FY 2020) of study. This study will provide exceptional information and background for a future Integrated Water Management Plan (IWMP) that could be developed within the next few years. It is important that this work be completed first so that there is the knowledge and background before embarking on the IWMP. Algae blooms decrease the recreational value of the river and indicate an ecosystem that is out of balance. This study will be integral in understanding that ecosystem better and provide tools for establishing mitigation plans. Doing so will improve the ability of the River to meet recreational, environmental, and economic needs, and allow the elaborate system of diversion, storage, treatment, use, and wastewater treatment to continue. In addition, keeping intake screens and pump inlets free of algae, artificial shortages created by fouling will not occur, and the existing infrastructure will function through the full range of depth of water in the river for which it was designed.

Discussion: This project assists the Yampa-White-Green Basin Roundtable in meeting their stated Basin Goals such as: Protect and encourage agriculture uses of water in the YWG Basin within the context of private property rights; Improve agricultural water supplies to increase irrigated land and reduce shortages; Identify and address municipal and industrial (M&I) water shortages; Quantify and protect environmental and recreational water uses at locations identified in the nonconsumptive needs study of the YWG BRT; Maintain and consider the existing natural range of water quality that is necessary for current and anticipated water uses; Restore, maintain, and modernize water storage and distribution infrastructure; Develop an integrated system of water use, storage, administration and delivery to reduce water shortages and meet environmental and recreational needs as identified in Section 1.2.2 of the Yampa-White-Green Basin Implementation Plan.

Issues/Additional Needs: As noted above (and below), the applicant has secured \$303,047 in cash and in-kind matching contributions (\$129,492 in 2018, \$81,029 in 2019, \$62,739 in 2020, and \$29,787 in 2021) which satisfies the 25% minimum match on behalf of the applicant and constitutes a 306% match to the Yampa-White-Green WSRF Basin Account contribution. However, there is currently \$171,000 in future pending matches that have yet to be confirmed, therefore staff recommends a **conditional approval** of this grant for the requested \$99,000 contingent upon the applicant providing documentation on a yearly basis to staff's satisfaction that the pending matches have mature into secured matches whereupon staff will authorize the release of the yearly WSRF Grant distribution as indicated in the table below (Yearly WSRF Funding Distribution).

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>2018 Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
USGS	\$0	\$38,992	\$38,992	Secured
Colorado River Water Conservation District	\$25,000	\$0	\$25,000	Secured
Meeker Sanitation	\$3,500	\$0	\$3,500	Secured
Rio Blanco Water Conservancy District	\$2,000	\$0	\$2,000	Secured
Town of Meeker	\$8,000	\$0	\$8,000	Secured
White River Conservation District	\$2,000	\$0	\$2,000	Secured
Trout Unlimited	\$5,000	\$0	\$5,000	Secured
Walton Foundation	\$20,000	\$0	\$20,000	Secured
Elk Creek Ranch	\$10,000	\$0	\$10,000	Secured
Trout Unlimited – Steamboat Springs Chapter	\$5,000	\$0	\$5,000	Secured
Sub-total	\$90,500	\$38,992	\$129,492	

<u>2019 Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
USGS	\$0	\$51,029	\$51,029	Secured
Local Governments	\$21,000	\$0	\$21,000	Pending
Private Parties	\$20,000	\$0	\$20,000	Pending
Colorado State Conservation Board	\$30,000	\$0	\$30,000	Secured
Sub-total	\$71,000	\$51,029	\$122,029	
Yampa-White-Green Basin Account	\$41,000	\$0	\$41,000	Secured
Sub-total	\$112,000	\$51,029	\$163,029	

<u>2020 Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
USGS	\$0	\$62,739	\$62,739	Secured
Local Governments	\$20,000	\$0	\$20,000	Pending
Private Parties	\$19,000	\$0	\$19,000	Pending
Colorado State Conservation Board	\$15,000	\$0	\$15,000	Secured
CWCB Water Plan Grant	\$66,000	\$0	\$66,000	Pending
Sub-total	\$120,000	\$62,739	\$182,739	
Yampa-White-Green Basin Account	\$33,000	\$0	\$33,000	Secured
Sub-total	\$153,000	\$62,739	\$215,739	

<u>2021 Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
USGS	\$0	\$29,787	\$29,787	Secured
Local Governments	\$5,000	\$0	\$5,000	Pending
Private Parties	\$5,000	\$0	\$5,000	Pending
Sub-total	\$10,000	\$29,787	\$39,787	
Yampa-White-Green Basin Account	\$25,000	\$0	\$25,000	Secured
Sub-total	\$35,000	\$29,787	\$64,787	

<u>Total 2018-2021 Match Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
	<u>Match</u>	<u>Match</u>	
2018	\$90,500	\$38,992	\$129,492
2019	\$71,000	\$51,029	\$122,029
2020	\$120,000	\$62,739	\$182,739
2021	\$10,000	\$29,787	\$39,787
Sub-total	\$291,500	\$182,547	\$474,047
WSRF Yampa-White-Green Basin Account	\$99,000	\$0	\$99,000
Total	\$390,500	\$182,547	\$573,047

Total 2018-2021 Match Summary

<u>Status</u>	<u>Cash & In-kind</u>
Secured Match	\$303,347
Pending Match	\$171,000
Secured (WSRF)	\$99,000
Total	\$573,047

Yearly WSRF Funding Distribution

2019	\$41,000
2020	\$33,000
2021	\$25,000
Total	\$99,000

CWCB Project Manager: Craig Godbout