



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: January 16, 2020

AGENDA ITEM: 23(a-b)

23(a) Informational Item:

CWCB staff is in the process of reviewing WSRF program accounting to update and reconcile balances between the program database, tracking spreadsheets, and the state's relatively new online accounting system (CORE). This is an ongoing process to employ accounting best management practices for the program. This effort will dovetail with the forthcoming agency-wide grant and loan portal.

23(b) Staff Recommendation - Action Items: WSRF Grant Request:

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 2020

Updated 1/15/2020

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	\$0	\$7,000,000	\$4,480,000	\$2,520,000
2018/2019 CF	\$0	\$3,544,884	\$2,268,726	\$1,276,158
2019/2020	\$10,000,000	\$7,000,000	\$4,480,000	\$2,520,000
Interest	N/A	\$2,857,935	\$1,829,078	
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	\$ 431,589	\$431,589	\$0
2019/2020 Interest	N/A	\$ 221,265	\$221,265	\$0
TOTAL	\$104,775,000	\$101,699,478	\$67,324,927	\$34,374,551

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	\$3,392,174	\$3,819,395	\$427,221	\$11,844,935	
Colorado*	\$3,586,579	\$3,819,395	\$232,816	\$6,446,389	
Southwest *	\$3,313,647	\$3,819,395	\$505,748	\$8,161,644	
Gunnison *	\$3,369,657	\$3,819,395	\$449,738	\$6,530,052	
Metro *	\$3,019,801	\$3,819,395	\$799,594	\$7,461,732	
North Platte	\$2,951,785	\$3,819,395	\$867,610	\$842,844	
Rio Grande*	\$3,479,443	\$3,819,395	\$339,952	\$12,209,690	
South Platte *	\$3,169,780	\$3,819,395	\$649,615	\$7,639,612	
Yampa/White	\$3,037,104	\$3,819,395	\$782,291	\$847,969	
TOTAL	\$29,319,970	\$34,374,551	\$5,054,585	\$61,984,867	\$5,340,060
TOTAL APPROVED GRANTS					\$91,304,837

Note: Only includes grants approved by CWCB

* Comments reflect adjustments to balances

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
January 27-28, 2020
Agenda Item 23(b)

Applicant & Grantee: Upper Yampa Water Conservancy District
Water Activity Name: Diversion Infrastructure Improvement Project
Water Activity Purpose: Agricultural/M&I/Ed & Outreach/Implementation
County: Moffat & Routt
Drainage Basin: Yampa
Water Source: Yampa River & tributaries
Amount Requested: \$100,000 Yampa/White/Green Basin Account
Matching Funds: Applicant & 3rd Party Match (cash) = \$257,500
• 388% of the Basin Account request (meets 25% min)

Staff Recommendation:

Staff recommends approval of up to \$100,000 from the Yampa/White/Green Basin Account to help fund the project titled: Diversion Infrastructure Improvement Project.
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Water Activity Summary: WSRF grant funds, if approved, will assist the Upper Yampa Water Conservancy District (UYWCD), in concert with the NRCS to expand an existing grant program administered by the UYWCD that will encourage the improvement of infrastructure and help to ensure that the projects are matched with the right funding source based on size and complexity. It is estimated that there could be more than 800 diversions without measuring devices within the Upper Yampa Water Conservancy District's boundaries. Many of these have diversion infrastructure in need of improvement. These diversions could be redesigned to replace aging infrastructure, help ensure water delivery, and improve fish passage and habitat. This grant funding structure can be used in the future to help implement recommendations of the Integrated Watershed Management Plan. It can also be easily adjusted to accommodate additional funding sources that become available. This effort is being proposed as a 2-year pilot project.

Discussion: This effort will assist the Yampa/White/Green Basin Roundtable meet the following goals as called out in their Basin Implementation Plan (Section 1.2.2), such as: Protect and encourage agricultural 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; and Restore, maintain, and modernize water storage and distribution infrastructure.

In addition, this effort will facilitate small denomination grant requests that might not otherwise be pursued considering the complexity of the WSRF Grant application process in relationship to the amount of grant request.

CWCB staff will receive and review all vendor and contractor's invoices submitted for reimbursement prior to issuing a warrant.

Issues/Additional Needs: Staff will work cooperatively with the applicant to further refine the Statement of Work and Budget, otherwise no issues or additional needs have been identified.

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>	<u>Status</u>
Upper Yampa Water Conservancy District	\$100,000	\$7,500	\$107,500	Secured
NRCS	\$150,000	\$0	\$150,000	Secured
Sub-total	\$250,000	\$7,500	\$257,500	
WSRF Yampa/White/Green Basin Account	\$100,000	\$0	\$100,000	Secured
Total Project Costs	\$350,000	\$7,500	\$357,500	

CWCB Project Manager: Craig Godbout

Water Supply Reserve Fund Applications for Consideration at the January 2020 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
23b	Yampa/White/Green	Upper Yampa WCD	Diversion Infrastructure Improvement Project	\$100,000	\$0	\$100,000	\$250,000	\$7,500	\$257,500	na	\$357,500	Staff recommends approval of up to \$100,000 from the Yampa/White/Green Basin Account	Craig Godbout
				\$100,000	\$0	\$100,000							

Basin	Basin Account Requests	Statewide Account Requests	Total Requests	Current Basin Account Balances	Remaining Basin Account Balances (if all requests approved)	Current Statewide Account Balance	Remaining Statewide Account Balance (if all requests approved)
Arkansas Basin	\$0	\$0	\$0	\$427,221	\$427,221		
Colorado Basin	\$0	\$0	\$0	\$232,816	\$232,816		
Gunnison Basin	\$0	\$0	\$0	\$449,738	\$449,738		
Metro	\$0	\$0	\$0	\$799,594	\$799,594		
North Platte	\$0	\$0	\$0	\$867,610	\$867,610	\$5,340,060	\$5,340,060
Rio Grande	\$0	\$0	\$0	\$339,952	\$339,952		
Southwest	\$0	\$0	\$0	\$505,748	\$505,748		
South Platte	\$0	\$0	\$0	\$649,615	\$649,615		
Yampa/White/Green	\$100,000	\$0	\$100,000	\$782,291	\$682,291		
Water Supply Reserve Fund Total Requests	\$100,000	\$0	\$100,000	\$5,054,585	\$4,954,585		