

# Colorado's Water Plan Grants

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## GUIDELINES

### Introduction

Governor John Hickenlooper directed the Colorado Water Conservation Board (CWCB) in 2013 to create a policy document reflecting Colorado's water values – incorporating a productive economy, efficient and effective water infrastructure, and a strong environment. Colorado's Water Plan (CWP) identified a number of actions, goals, and measurable objectives that will help promote those values for generations to come. In 2017, the General Assembly first made grant funds available for CWCB to help implement the Critical Action Plan set forth in the Water Plan.

The Water Plan Grant funding is available to promote progress on the critical actions identified in the Water Plan and its measurable objectives. The Board will fund the projects, programs and activities that have the best opportunity to make progress on the Water Plan's objectives. All applications will be assessed based on funds available for a particular Water Plan implementation category.

In order to help ensure opportunities for applicants to seek funding in an orderly fashion and at the same time to encourage competitive access to the funding, applications will be evaluated based on the eligibility requirements and evaluation criteria outlined in this document. After thorough evaluation, CWCB staff will recommend projects to the CWCB Board for approval of grant funding during regularly scheduled Board meetings. CWCB staff reserves the right to negotiate with applicants to modify the scope and budget of their project to better meet the Water Plan objectives.

Applicants should be aware that many variables will impact funding levels, including overall funding demand. The CWCB will attempt to distribute the grant funds in a fair and equitable fashion.

Water Plan Funding Categories\* include:

- Water Storage and Supply Projects - Projects that facilitate the development of additional storage, artificial recharge into aquifers, and dredging existing reservoirs to restore the reservoirs' full decreed storage capacity, multi-beneficial projects, and those projects identified in basin implementation plans to address the water supply and demand gap.
- Conservation & Land Use Projects - Activities that implement long-term strategies for conservation, land use, and drought planning.
- Engagement & Innovation Activities - Activities that support water education, outreach, and innovation efforts.
- Agricultural Projects - Projects that provide technical assistance or improve agricultural efficiency.
- Environmental & Recreation Projects - Projects that promote watershed health, environmental health, and recreation.

\* Applications may qualify for more than one category of funding.

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Eligible Applicants include:

- Governmental entities - municipalities, districts, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities. Covered Entities as defined in Section 37-60-126, C.R.S., are eligible if the applicant has adopted an approved water conservation plan.
- Private entities - mutual ditch companies, non-profit corporations, and partnerships.

Examples of eligible projects and activities:

- Technical assistance regarding permitting, feasibility studies, and environmental compliance.
- Studies or analysis of structural, programmatic, consumptive, and non-consumptive water projects or activities.
- Design of structural projects or activities.
- Activities that promote education, outreach, and innovation consistent with the mission and goals of the CWP.

As a statewide program looking to encourage new ways of approaching "old" problems, preference is given to innovative projects and solutions. Infrastructure replacement or maintenance projects without additional benefits are better suited for the CWCB Loan Program or the Water Supply Reserve Fund (WSRF).

## Matching Fund Requirements

Water Plan Grant requests require matching funds. CWCB funds for Colorado's Water Plan Grants shall not exceed 50% of the total cost of the project or activity. Other CWCB funds may be used for plans and studies, but the total CWCB funding shall not exceed 75% of the total cost. Project costs may consist of a combination of in-kind and cash match, but no more than half of the match may be in the form of in-kind services. Applicants should identify match as pending or secure.

Cash Match:

Actual expenditures paid directly with cash funds (based on contractual arrangements) from the grantee to a vendor. Examples are supplies, services, and necessary equipment purchase or rental.

In-Kind Match:

Services and labor provided by the paid staff of the grantee to perform all or part of the approved project scope of work, including necessary project administration. This can include standard direct and indirect personnel fringe benefits. Volunteer services provided at no cost to the applicant by firms or individuals consistent with the approved scope of work will be valued for in-kind match at local prevailing wage rates. Project specific land acquisition or access agreement costs may also be claimed as in-kind contributions and credited against the minimum requirement. Costs that CAN NOT be considered include: general organization operating costs such as utilities, operating supplies and services, amortized costs or rental costs for buildings and equipment used for the general operation of the organization, and general property and liability insurance costs, nor will overhead

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per cent charges to cover such items be allowed. These business expenses are NOT reimbursable costs and may not be claimed as matching contributions.

Non-CWCB matching funds include state agencies such as Great Outdoors Colorado (GOCO), Colorado Parks and Wildlife (CPW) funding, and other state agencies and federal agencies. CWCB loans are also considered matching funds. All other funding sources within the control of the CWCB Board and its Director are considered CWCB funds, including the Water Supply Reserve Fund (WSRF).

### Evaluation Criteria

The proposed water project shall be evaluated using a similar approach to the WSRF Criteria and Guidelines and the criteria for state support in Colorado's Water Plan. In general, the proposal will be evaluated on how well it conforms to the Framework for State of Colorado Support for a Water Projects set forth in Colorado's Water Plan (Section 9.4, pp. 9-43 to 9-44;), and how well the proposed water project meets the Goals and Measurable Outcomes of its respective Basin Implementation Plan. Preference is given to projects that have multiple benefits, multiple purposes and involve multiple stakeholders. Consideration is also given to the timing of projects with priority given to projects with an earlier start date. Criteria specific to each funding category are outlined later in this document.

### Application Process

Application forms are available on the CWCB website ([cwcb.state.co.us](http://cwcb.state.co.us)) under Loans and Grants.

Applicants should include at a minimum the following documents:

- Completed Application
- Statement of Work
- Engineer's estimate of probable cost for construction projects over \$100,000
- Budget (Excel and pdf format)
- Schedule
- Maps (if applicable)
- Letters of Commitment (matching funds)
- Photos or drawings

### Letters from Basin Roundtables

A letter of Support from the Basin Roundtable that provides information about how the project aligns with the applicable Basin Implementation Plan and Water Plan goals are welcome but not required. Any letters received will be included in the packet of information reviewed by the staff and CWCB Board.

Financial Documents Required for Contract Execution:

- Insurance Certificate of Liability
- Secretary of State - Certificate of Good Standing

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The CWCB's review and approval process will include the following steps:

- CWCB staff will determine if the required documentation has been submitted. The application will be accepted once all documentation has been received.
- CWCB staff will evaluate the application based on the criteria described in this document and notify the CWCB Board member representing the basin involved.
- Applications will be posted on the CWCB website 30 days after the application deadline. At the March Board meeting, staff will present the applications to the Board, provide an opportunity for public comment, and make a recommendation to the Board for full funding, partial funding, or denial of funding.
- CWCB staff will notify the applicant of the staff's recommendation and of the date and time when the Board will consider the application. While CWCB staff has primary responsibility for presenting the recommendation to the Board, the applicant is welcome to attend the meeting to address the Board and may offer comments during the opportunity for public comment.
- Upon Board approval of the applicant's request, funding can only be used on project components that begin after a grant contract is executed by the office of the state controller.
- The grant contracting estimate is 45 days from the receipt of the signed grant contract from the grantee.

### Grant Administration

#### Contracting:

After approval of funding by the Board, CWCB staff will direct the applicant to revise and supplement submitted documents if required for issuance of a purchase order or execution of a contract. Grants less than \$100,000 will be implemented through a purchase order. Grants for \$100,000 or more will require additional time to execute a state grant contract.

Successful applicants are expected to execute a contract with CWCB within 6 months of award. If a grant contract is not executed within this timeframe, CWCB staff may return the funds back to the appropriate funding category if adequate progress is not made.

#### Reporting Requirements:

Progress Reports: The applicant shall provide the CWCB a progress reports every 6 months, beginning from the date of issuance of a purchase order, or the execution of a contract. The progress report shall describe the status of the tasks identified in the statement of work, including a description of any major issues that have occurred and any corrective action taken to address these issues. The CWCB may withhold reimbursement until satisfactory progress reports have been submitted.

#### Final Report:

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At completion of the project, the applicant shall provide the CWCB a Final Report on the applicant's letterhead that:

- Summarizes the project and how the project was completed.
- Describes any obstacles encountered, and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries of meetings and engineering reports/designs.

The CWCB will withhold disbursement the last 10% of the budget until the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

### Payments:

Payment will be based on actual expenditures invoiced by the grantee. The request for payment must be transmitted on the grantee's letterhead, and shall include:

- Date of request
- Grantee's contact name, email address, physical address, and phone number
- Contract or purchase order number
- Description of the work accomplished by major task as presented in the approved budget \*
- Supporting documentation for items or services billed
- Estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent
- Identification of any major issues, and proposed or implemented corrective actions

\* This may be utilized in lieu of a 6 month Progress Report if adequate detail is provided. Contact the Project Manager to determine if your project qualifies for this option.

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## Water Storage and Supply Project Grants

The CWP sets a measurable objective of attaining 400,000 acre-feet of water storage in order to manage and share conserved water and the yield of Identified Projects and Processes (IPPs) by 2050. The CWP also sets a measurable objective of reducing the projected 2050 municipal and industrial gap from as much as 560,000 acre-feet to zero acre-feet by 2030.

### Potential Project Types:

Feasibility Studies, Engineering Design and Permitting, and Projects and Processes that result in the storage of additional water or result in a shared benefit to multiple stakeholder interests with an emphasis on non-consumptive water uses. This includes multi-beneficial projects and those projects identified in basin implementation plans to address the water supply and demand gap.

### Criteria and considerations:

- Projects that are regional in nature that result in a shared benefit to multiple stakeholders including the State of Colorado for compact administration and non-consumptive water uses will receive preference.
- Completed Feasibility Studies must be submitted with an engineer's estimate of probable cost for grant requests that include costs for final engineering plans and construction.
- Does the project/applicant demonstrate a commitment to collaboration? Does the project/applicant: address more than one type of need; involve multiple participants where appropriate; consult with a broad set of local stakeholders and local governments; provide meaningful opportunities for input?
- Does the project address an identified water gap? Is the project: included in a BIP; identified as meeting a defined need in a basin needs assessment; identified as meeting a defined need identified in the SWSI; or identified as part of the no-and low-regrets scenario planning process?
- Does the project/applicant demonstrate sustainability? Does the project/applicant: adopt an integrated plan or plans geared toward implementing conservation? avoid adverse effects to environmental and recreational interests; adopt environmental, watershed health, and recreational mitigation in the planning phase of the project; avoid impacts to, mitigate, or enhance water quality, mitigate or avoid economic and social impacts on agricultural and rural communities; maximize the use of water resources, improve or modernize aging infrastructure, is it an aquifer storage and recharge project; conflict with any interstate compact or the curtailment of existing water rights?
- Does the project/applicant establish the fiscal and technical feasibility of the project? Does the project/applicant demonstrate: overall cost-effectiveness; local investment or contribution; financial capability to repay debt; an intent to leverage other funding; technical and legal availability of water supplies for the project; or readiness to proceed upon receipt of necessary funding and permits (i.e. completed preliminary planning and design work, obtained necessary water rights, secured necessary financial commitments)?

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## Conservation & Land Use Project Grants

The CWP sets a measurable objective to achieve 400,000 acre-feet of municipal and industrial water conservation by 2050. In addition, the CWP sets a measurable objective that by 2025, 75 percent of Coloradans will live in communities that have incorporated water-saving actions into land-use planning.

### Potential Project Types:

Water conservation (examples: water meter replacements, projects to reduce system water loss), water reuse, integration of water and land use planning (example: technical assistance to put water conservation elements into comprehensive land use plans), state agency conservation.

### Criteria and considerations:

- Does the project reduce overall future water needs through cost-effective water efficiency measures?
- Does the project integrate water efficiency planning and projects into overall water resource management?
- Does the project promote a water efficiency ethic throughout Colorado?
- Does the project explore additional water reuse options?
- Does the project integrate land use and water planning?
- Does the project advance conservation planning efforts?
- Does the project advance drought mitigation planning efforts?
- Does the project reduce impacts and prepare for the impacts of climate change?

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## Engagement & Innovation Activities

The CWP sets a measurable objective to significantly improve the level of public awareness and engagement regarding water issues statewide by 2020, as determined by water awareness surveys. The CWP also sets a measurable objective to engage Coloradans statewide on at least five key water challenges (identified by CWCB) that should be addressed by 2030.

For Engagement & Innovation grant requests, please fill out the Supplemental Application as well as the main application (download the word version on the website).

Potential Project Types: Engagement (Communication, Outreach, Education) and Innovation.

Criteria and considerations:

- Overall
  - Is the project collaborative? Does it engage a diverse group of stakeholders? Does it involve and engage the community?
  - Does the project establish fiscal feasibility? Does the project demonstrate overall cost-effectiveness and leverage other funding?
  - Does the project contain a plan to measure and evaluate its success and impact?
  - Is the project supported by research, evidence, and data? Does it apply best practices?
  - Does the project strive to improve the level of public awareness and engagement regarding water issues?
- Engagement
  - Does the project enhance Colorado's water communication, outreach, education, and public engagement efforts by addressing one or more of the following:
    - Achieves the education, outreach, and public engagement measurable objective set forth in Colorado's Water Plan to "significantly improve the level of public awareness and engagement regarding water issues statewide by 2020, as determined by water awareness surveys?"
    - Achieves the other measurable objectives and critical goals and actions laid out in Colorado's Water Plan around the supply and demand gap; conservation; land use; agriculture; storage; watershed health, environment, and recreation; funding; and additional?
    - Achieves the education, outreach, and public engagement goals set forth in the applicable Basin Implementation Plan(s)?
    - Achieves the basin roundtable's PEPO Education Action Plans?
    - Improves the use of existing state resources, which includes supporting efforts to improve coordination between state agencies on water outreach and education activities?
- Innovation



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- Does the project enhance the water innovation ecosystem in Colorado?
- Does the project engage Colorado's entrepreneurial/business/innovation community to help solve our state's water challenges?
- Does the project advance a solution to a water need identified through TAP-IN and other water innovation challenges?

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## Agricultural Projects

Colorado's agricultural industry supports important environmental attributes, strengthens food security, and upholds our state's cultural identity. Agriculture also contributes significantly to the state's overall economy and remains the economic backbone of many rural communities. Colorado's Water Plan sets an objective to maintain Colorado's agricultural productivity, rural economies, and food security while reducing agricultural water shortages, and other growing water demands, by implementing voluntary alternative transfer methods, improving agricultural efficiencies, and modernizing water infrastructure.

### Potential Project Types:

- Technical assistance for programmatic alternative transfer method development and implementation (e.g. water banking, rotational fallowing, etc.)
- Ditch-wide and regional planning efforts to assess system-wide conservation and efficiency opportunities and tradeoffs
- Irrigation infrastructure improvements, including ditch-wide and regional planning efforts, particularly where improvements address identified agricultural water shortages and provide multiple benefits
- Projects furthering demonstration of innovative on-farm efficiency and conservation practices that enhance agriculture viability and reduce barriers to practice adoption

### Criteria and considerations:

Does the project/applicant demonstrate a commitment to collaboration? Does the project/applicant: address more than one type of need; involve multiple participants where appropriate; consult with a broad set of local stakeholders and local governments; provide meaningful opportunities for input?

Does the project address an identified water gap? Is the project: included in a BIP; identified as meeting a defined need in a basin needs assessment; identified as meeting a defined need identified in the SWSI; or identified as part of the no-and low-regrets scenario planning process?

Does the project/applicant demonstrate innovation or sustainability? Does the project enhance resilience to drought and climate change; avoid adverse effects to environmental and recreational interests; avoid impacts to, mitigate, or enhance water quality; support rural economic development and viability; address other critical issues facing Colorado's agriculture sector; address barriers to scaling the adoption of on-farm conservation and efficiency practices; further local groundwater management strategies; improve or modernize aging infrastructure?

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Does the project/applicant establish the fiscal and technical feasibility of the project? Does the project/applicant demonstrate: overall cost-effectiveness; local investment or contribution; financial capability to repay debt; an intent to leverage other funding; technical and legal availability of water supplies for the project; or readiness to proceed upon receipt of necessary funding and permits (i.e. completed preliminary planning and design work, obtained necessary water rights, secured necessary financial commitments)?

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## Environmental & Recreation Projects

The CWP states "environment and recreation are too critical to Colorado's brand not to have robust objectives; a strong Colorado environment is critical to the economy and way of life." We must address a variety of concerns, including pre- and post-fire mitigation, forest mortality, water quality impairments, potential impacts of legacy mines, flood mitigation and recovery, aquatic and riparian habitat enhancement, and land use change.

### Potential Project Types:

- Recreational in-channel diversions and other projects that provide or improve boating opportunities
- Removal of invasive phreatophytes
- Projects that support water-related recreational activities, such as boating, fishing, waterfowl hunting, and wildlife watching
- Projects that promote restoration, recovery, and sustainability of endangered, threatened, and imperiled aquatic and riparian-dependent species and plant communities
- Stream restoration and riparian habitat improvement projects
- Assistance to BRTs in using SWSI Update information and tools to identify and prioritize locally important streams and critical watersheds
- Implementation of recommendations developed in stream management plans or watershed plans
- Extended stakeholder process to facilitate implementation of stream management plan recommendations or watershed plan recommendations
- Structural solutions (e.g., diversion structure with fish or boat passage)
- Flow-related projects (e.g., split-season use of water - irrigation and instream flow use)
- Additional data collection if found necessary in stream management plan or watershed plan
- Watershed health regional efforts
- Flood mitigation projects
- Fire prevention and mitigation projects

### Criteria and considerations:

- Does the project/applicant demonstrate a commitment to collaboration? Does the project/applicant: address more than one type of need; involve multiple participants where appropriate; consult with a broad set of local stakeholders and local governments; provide meaningful opportunities for input?
- Does the project/applicant establish the fiscal and technical feasibility of the project? Does the project/applicant demonstrate: overall cost-effectiveness; local investment or contribution; an intent to leverage other funding; or readiness to proceed upon receipt of necessary funding and permits (i.e. completed preliminary planning and design work, obtained necessary permits, secured necessary financial commitments)?