



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Ben Wade
Water Supply Planning Section

DATE: July 21-22, 2021

AGENDA ITEM: Agenda Item 16a-c, Water Supply Reserve Fund, Grant Funding Recommendations

Staff Recommendation - Action Items: WSRF Grant Requests:

A summary of staff's recommendation for each WSRF applications requesting over \$100,000 have been provided in the first component of the attached table.

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.

During the 2021 legislative session, HB21-1260 was passed and signed into law by the Governor. The bill transfers \$5,000,000 of stimulus funding into the WSRF program. Each basin will receive \$200,000 and the Statewide Account will receive \$3,200,000. Due to deadlines in the legislation for the awarding of funds by July 1, 2023 and completion of projects by September 1, 2025, these funds will be immediately utilized beginning with the July WSRF proposals.

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.
- Summary spreadsheet displaying HB21-1260 Stimulus Funding WSRF Balance Summary of Fund Appropriations and Receipts, 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
STIMULUS FUND (HBSTIM) - Water Supply Reserve Fund
JULY 2021

Updated 07/08/21

Fund Appropriation and Receipts				
Fiscal Year	Legislative Appropriation	Funds Received	Statewide Account	Basin Account
FY2021-2022	\$5,000,000	\$5,000,000	\$3,200,000	\$1,800,000
TOTAL	\$5,000,000	\$5,000,000	\$3,200,000	\$1,800,000

Fund Distribution						
Basin	Approved Basin Grants	Total Basin Funds	Basin Account Balance	Approved State Grants	Statewide Account Balance	
Arkansas	\$0	\$200,000	\$200,000		\$0	
Colorado	\$0	\$200,000	\$200,000		\$0	
Southwest	\$0	\$200,000	\$200,000		\$0	
Gunnison	\$0	\$200,000	\$200,000		\$0	
Metro	\$0	\$200,000	\$200,000		\$0	
North Platte	\$0	\$200,000	\$200,000		\$0	
Rio Grande	\$0	\$200,000	\$200,000		\$0	
South Platte	\$0	\$200,000	\$200,000		\$0	
Yampa/White	\$0	\$200,000	\$200,000		\$0	
TOTAL	\$0	\$1,800,000	\$1,800,000	\$0		\$3,200,000
TOTAL APPROVED GRANTS						\$0

Note: Only includes grants approved by CWCB

COLORADO WATER CONSERVATION BOARD
H2B/H2O Water Supply Reserve Fund - Balance Summary
JULY 2021

Updated 07/07/21

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 (FY2017)	\$0	\$0	\$0	\$0
2017/2018 (FY2018)	\$10,000,000	\$1,455,776	\$931,697	\$524,079
2017/2018 CF (FY2018)	\$0	\$7,000,000	\$4,480,000	\$2,520,000
2018/2019 CF (FY2019)	\$0	\$3,544,884	\$2,268,726	\$1,276,158
2019/2020 (FY2020)	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2020/2021 (FY2021)	\$2,500,000	\$2,500,000	\$1,600,000	\$900,000
Interest	N/A	\$2,857,935	\$3,541,544	
<small>(Prior Years Interest Adjustment 2007-2014 and FY2015, FY2016, FY2017)</small>				
FY 2018 Interest	N/A	\$ 376,467	\$376,467	\$0
FY 2019 Interest	N/A	\$ 431,589	\$431,589	\$0
FY 2020 Interest	N/A	\$ 558,732	\$558,732	\$0
FY 2021 Interest	N/A	\$ 312,523	\$312,523	\$0
TOTAL	\$107,275,000	\$107,165,859	\$71,494,918	\$36,354,551

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	\$3,612,149	\$4,039,395	\$427,246	\$ 12,737,703	
Colorado*	\$3,748,529	\$4,039,395	\$290,866	\$ 6,611,075	
Southwest *	\$3,626,892	\$4,039,395	\$412,503	\$ 8,929,463	
Gunnison *	\$3,676,957	\$4,039,395	\$362,438	\$ 6,870,607	
Metro *	\$3,367,301	\$4,039,395	\$672,094	\$ 7,723,032	
North Platte	\$3,047,230	\$4,039,395	\$992,165	\$ 842,844	
Rio Grande*	\$3,788,048	\$4,039,395	\$251,347	\$ 13,104,635	
South Platte *	\$3,533,530	\$4,039,395	\$505,865	\$ 8,075,127	
Yampa/White	\$3,345,904	\$4,039,395	\$693,490	\$ 1,063,969	
TOTAL	\$31,746,540	\$36,354,551	\$4,608,014	\$65,958,454	\$5,536,464
TOTAL APPROVED GRANTS					\$97,704,994

Note: Only includes grants approved by CWCB

* Comments reflect adjustments to balances

HBSTIM - Water Supply Reserve Fund Applications for Consideration at the July 2021 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	Basin Only Request Match % (min 25%)	Staff Recommendations	PM	WSRF Appropriation
Agenda Item 4 Director Report	Gunnison	James Lazzeri	Stumpy Creek Ranch Irrigation Efficiency Project	\$5,000	N/A	\$5,000	\$700	\$1,300	\$2,000		\$7,000	28.57%	Staff recommends approval of \$5,000 from the Gunnison Basin Account	Ben Wade	HBSTIM - BASIN
Agenda Item 4 Director Report	Gunnison	Trout Unlimited	Stewart Mesa Canal Diversion Modification and Restoration Project	\$20,000	N/A	\$20,000	\$386,410	\$35,050	\$421,460		\$441,460	95.47%	Staff recommends approval of \$20,000 from the Gunnison Basin Account	Andrea/Chris	HBSTIM - BASIN
Agenda Item 16a	North Platte	Jackson County Water Conservancy District	North Platte Basin Airborne Cloud Seeding Project	\$200,000	N/A	\$200,000	\$75,000	\$18,000	\$93,000	N/A	\$318,000	29.25%	Staff recommends approval of \$225,000 from the North Platte Basin Account	Andrew Rickert	HBSTIM - BASIN
Agenda Item 4 Director Report	Southwest	San Juan Resource Conservation & Development	Southwest Basins Roundtable Website, BIP Education and Outreach	\$8,600	N/A	\$8,600	\$0	\$2,800	\$2,800		\$11,400	25%	Staff recommends approval of \$8,600 from the Southwest	Ben Wade	HBSTIM - BASIN
Consent Agenda 2b	Yampa/White/Green	City of Craig	Yampa River Diversion Park	\$65,000	\$0	\$65,000	\$217,600	\$0	\$217,600	\$0	\$282,600	77.00%	Staff recommends approval of \$65,000 from the	Andrea/Chris	HBSTIM - BASIN
Consent Agenda 2c	Yampa/White/Green	Town of Oak Creek	Sheriff Dam Rehabilitation - Advanced Hydrology and Gate Replacement	\$73,750	N/A	\$73,750	\$221,250	\$0	\$221,250		\$295,000	75.00%	Staff recommends approval of \$73,750 from the	Matt Stearns	HBSTIM - BASIN

Basin	Basin Account Requests	Statewide Account Requests	Total Requests	HB21-1260 Stimulus Funds Current Basin Account Balances	Remaining Basin Account Balances (if all requests approved)	Remaining HB21-1260 Stimulus Basin Account Balances (if all requests approved)	HB21-1260 Stimulus Current Statewide Account Balance	Remaining HB21-1260 Stimulus Statewide Account Balance (if all requests approved)
Arkansas Basin	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000		
Colorado Basin	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000		
Gunnison Basin	\$25,000.00	\$0	\$25,000.00	\$200,000	\$175,000	\$175,000		
Metro	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000		
North Platte/ HBSTIM (Remaining \$25k - H2B)	\$200,000.00	\$0	\$200,000.00	\$200,000	\$0	\$0	\$3,200,000.00	\$3,200,000.00
Rio Grande	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000		
Southwest	\$8,600.00	\$0	\$8,600.00	\$200,000	\$191,400	\$191,400		
South Platte	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000		
Yampa/White/Green	\$138,750.00	\$0	\$138,750.00	\$200,000	\$61,250	\$61,250		
Water Supply Reserve Fund Total Requests	\$372,350	\$0	\$372,350	\$1,800,000	\$1,427,650	\$1,427,650		

H2B/H2O APPROPRIATION FOR THE Water Supply Reserve Fund Applications for Consideration at the July 2021 CWCB Board Meeting

	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	Total Project Costs	Basin Only Request Match % (min 25%)	Staff Recommendations	PM	WSRF APPROPRIATION
Agenda Item 16(a)	North Platte	Jackson County Water Conservancy District	North Platte Basin Airborne Cloud Seeding Project	\$25,000	N/A	\$25,000	\$75,000	\$18,000	\$93,000	\$118,000	78.81%	Staff recommends approval of \$225,000 from the North Platte Basin Account	Andrew Rickert	H2B
Consent Agenda Item 2a	North Platte	Lucky Penny Ranches, LLC	Aqua Fria Reservoir Rehabilitation	\$75,000	N/A	\$75,000	\$10,000	\$15,000	\$25,000	\$100,000	25.00%	Staff recommends approval of \$75,000 from the North Platte Basin Account	Cole Bedford	H2B
Agenda Item 16(b)	North Platte	Owl Mountain Partnership	Homestead Ditch Improvement Project	\$111,920	N/A	\$111,920	\$135,410	\$0	\$135,410	\$247,330	54.75%	Staff recommends approval of \$111,920 from the North Platte Basin Account	Cole Bedford	H2B
Agenda Item 16c	North Platte	Owl Mountain Partnership	Jackson County Irrigation Infrastructure Improvement Project	\$320,537	N/A	\$320,537	\$150,136	\$0	\$150,136	\$470,673	31.90%	Staff recommends approval of \$320,537 from the North Platte Basin Account	Cole Bedford	H2B

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	\$427,246	\$427,246		
Colorado Basin	\$0	\$0	\$0	\$290,866	\$290,866		
Gunnsion Basin	\$0.00	\$0	\$0.00	\$362,438	\$362,438		
Metro	\$0	\$0	\$0	\$672,094	\$672,094		
North Platte	\$532,457.00	\$0	\$532,457	\$992,165	\$459,708	\$5,536,464.00	\$5,536,464.00
Rio Grande	\$0	\$0	\$0	\$251,347	\$251,347		
Southwest	\$0.00	\$0	\$0.00	\$412,503	\$412,503		
South Platte	\$0	\$0	\$0	\$505,865	\$505,865		
Yampa/White/Green	\$0.00	\$0	\$0.00	\$693,490	\$693,490		
Water Supply Reserve Fund Total Requests	\$532,457	\$0	\$532,457	\$4,608,014	\$4,075,557		

**Water Supply Reserve Fund
Water Activity Summary Sheet
July 21-22, 2021
Agenda Item 16(a)**

Applicant & Grantee: Jackson County Water Conservancy District
Water Activity Name: North Platte Basin Airborne Cloud Seeding Project
Water Activity Purpose: Other - Implementation
County: Jackson County
Drainage Basin: North Platte River
Water Source: North Fork River
Amount Requested: \$225,000 North Platte Basin Account
\$225,000 Total Request

Matching Funds: **Basin Account Match = \$93,000 (\$75,000 cash & \$18,000 In-kind)**

- 29.25% of Total Project Cost (meets 25% min)

Staff Recommendation:
Staff recommends approval of up to \$225,000 from the North Platte Basin Account to help fund the project: North Platte Basin Airborne Cloud Seeding Project

Water Activity Summary: If approved, WSRF funds will be expended to provide operational monies for a cooperative airborne cloud seeding project that is an extension into the North Platte Basin of the Wyoming Water Development Office cloud seeding project in the Sierra Madre/Medicine Bow Mountains of southern Wyoming.

This airborne cloud seeding project would be an extension of the current cloud seeding project that was started three years ago and is the only airborne cloud seeding project currently in Colorado. The applicant states the “*Never Summer Cloud Seeding Validation Report*” provided with their application has shown positive evidence of water increase to encourage the CWCB Board to try another round of cloud seeding.

Collaboration and cooperation between cloud-seeding programs results in significant savings. Aerial seeding will occur upwind of the target watershed along a path perpendicular to the wind direction, at distances related to the storm wind velocities and ice crystal growth times. Cloud seeding is temporarily suspended when snowpack snow water equivalent thresholds are exceeded, during emergencies in the target area and when high avalanche hazard levels warrant suspension. The applicant states while additional snowpack is good for Colorado, there are thresholds that are set on snow water equivalent to ensure that snowpack in a watershed stays within the realm of natural variability for the local climate.

The applicant states this proposal will result in 3,000-4,000 acre feet of new water supplies developed or conserved.

Discussion: The proposal is consistent with the North Platte Roundtable’s Basin Implementation Plan, in particular, an increase in annual water supply would help meet the following North Platte Basin Goals set forth in their BIP: Maintain and maximize the consumptive use of water permitted in the Equitable Apportionment Decree and the baseline depletion allowance of the Three State Agreement; and Increase economic development and diversification through strategic water use and development.

Issues/Additional Needs: No issues 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 Sources/Match	Cash	In-Kind	Total	Status
Jackson County Water Conservancy District	\$75,000	\$18,000	\$93,000	Secured
Sub-Total Matching Funds	\$75,000	\$18,000	\$93,000	
WSRF North Platte Basin Account	\$225,000	\$0	\$225,000	Secured
Total Project Costs	\$300,000	\$18,000	\$318,000	

CWCB Project Manager: Andrew Rickert

**Water Supply Reserve Fund
Water Activity Summary Sheet
July 21-22, 2021
Agenda Item 16(b)**

Applicant & Grantee: Owl Mountain Partnership
Water Activity Name: Homestead Ditch Improvement Project
Water Activity Purpose: Agricultural, Nonconsumptive (Environmental & Recreational) - Implementation
County: Jackson County
Drainage Basin: North Platte Basin
Water Source: Hell Creek
Amount Requested: \$111,920 North Platte Basin Account
\$111,920 Total Request
Matching Funds: **Basin Account Match = \$135,410 (cash)**

- 54.75% of Total Project Cost (meets 25% min)

Staff Recommendation:
Staff recommends approval of up to \$111,920 from the North Platte Basin Account to help fund the project: Homestead Ditch Improvement Project

Water Activity Summary: If approved, the applicant proposes to install a new pipeline and inlet structure through a section of the Homestead Ditch.

The applicant states the installation of a new structure in the ditch would help address both agricultural and environmental water needs in a cost effective and collaborative way, while providing irrigation water to multiple water users that irrigate approximately 275 acres of hay and pasture land in Jackson County. The irrigation water also creates irrigation induced wetlands and riparian areas that provide habitat for many wildlife species as well as multiple recreational opportunities.

The applicant states this proposal will result in: an estimated 10% efficiency savings in the control and use of the 8 cfs that is utilized for irrigation purposes; approximately 320 acres of preserved habitat; and the improvement of 1,822 linear feet of pipe.

Discussion: This project is in alignment with Colorado Water Plan and the North Platte Basin Implementation Plan goals and objectives and will improve the irrigated acres per a Supreme Court decree.

Issues/Additional Needs: No issues or 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 Sources/Match	Cash	In-Kind	Total	Status
NRCS	\$111,210	\$0	\$111,210	Secured
William & Diana Matheson	\$24,200	\$0	\$24,200	Secured
Sub-Total Matching Funds	\$135,410	\$0	\$135,410	
WSRF North Platte Basin Account	\$111,920	\$0	\$111,920	Secured
Total Project Costs	\$247,330	\$0	\$247,330	

CWCB Project Manager: Cole Bedford

**Water Supply Reserve Fund
Water Activity Summary Sheet
July 21-22, 2021
Agenda Item 16(c)**

Applicant & Grantee: Owl Mountain Partnership

Water Activity Name: Jackson County Irrigation Infrastructure Improvement Project

Water Activity Purpose: Agricultural, Nonconsumptive (Environmental & Recreational) - Implementation

County: Jackson County

Drainage Basin: North Platte Basin

Water Source: Arapaho Creek, Chedsey Creek, Little Grizzly Creek & Michigan River

Amount Requested: \$320,537 North Platte Basin Account
\$320,537 Total Request

Matching Funds: **Basin Account Match = \$150,136 (cash)**

- 31.9% of Total Project Cost (meets 25% min)

Staff Recommendation:
Staff recommends approval of up to \$320,537 from the North Platte Basin Account to help fund the project: Jackson County Irrigation Infrastructure Improvement Project

Water Activity Summary: If approved, the applicant would use WSRF to fund the replacement of: the existing head gate and measuring device on the 969 Ditch; the existing head gate, an old dilapidated check structure and turnout on the Chapman Ditch and Staples Ditch; an old dilapidated check structure on the Squibob Ditch, the Antelope Ditch; an old dilapidated measuring device that currently exists on the Antelope Ditch.

WSRF funds would also fund the installation of new measuring devices on the Nairin Ditch, the Darling Ditch and the installation of a new check structure and turnout on the Willow Ditch.

These structures address both agricultural and environmental water needs in a cost effective and collaborative way, while providing irrigation water to multiple individuals that irrigate over 3,515 acres of hay and pasture land in Jackson County. The irrigation water also creates irrigation induced wetlands and riparian areas that provide habitat for many wildlife species as well as multiple recreational opportunities.

The applicant states this proposal will result in: an estimated 10% efficiency savings in the control and use of the 293 cfs that is utilized for irrigation purposes and approximately 4,000 acres of preserved habitat.

Discussion: This project is in alignment with Colorado Water Plan and the North Platte Basin Implementation Plan goals and objectives to continue to restore, maintain, and modernize critical water infrastructure to preserve current uses and increase efficiencies.

Issues/Additional Needs: No issues or 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 Sources/Match	Cash	In-Kind	Total	Status
NRCS	\$104,597	\$0	\$104,597	Secured
Evans Cattle Company, LLC	\$10,478	\$0	\$10,478	Secured
Eagle's Wing Ranch	\$19,285	\$0	\$19,285	Secured
Baller Ranch, LLC	\$2,503	\$0	\$2,503	Secured
Munk Ranch	\$10,038	\$0	\$10,038	Secured
Van Valkenburg Family, LLC	\$3,235	\$0	\$3,235	Secured
Sub-Total Matching Funds	\$150,136	\$0	\$150,136	
WSRF North Platte Basin Account	\$111,920	\$0	\$111,920	Secured
Total Project Costs	\$262,056	\$0	\$262,056	

CWCB Project Manager: Cole Bedford