



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Ben Wade
Water Supply Planning Section

DATE: September 3, 2021

AGENDA ITEM: Agenda 21 a-b, Water Supply Reserve Fund, Grant Funding Recommendations

Staff Recommendation - Action Items: WSRF Grant Requests:

A summary of staff's recommendation for each WSRF application are 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.

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
H2B/H2O Water Supply Reserve Fund - PRE APPROVAL Balance Summary
SEPT 2021

Updated 08/25/21

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	
(Prior Years Interest Adjustment 2007-2014 and FY2015, FY2016, FY2017)				
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	\$ 329,821	\$329,821	\$0
FY 2021 Interest	N/A	\$ 19,062	\$19,062	\$0
TOTAL	\$107,275,000	\$107,202,219	\$71,531,278	\$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	\$3,467,767	\$4,039,395	\$571,627	\$ 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	\$32,167,078	\$36,354,551	\$4,187,477	\$65,958,454	\$5,572,824
TOTAL APPROVED GRANTS					\$98,125,531

Note: Only includes grants approved by CWCB

* Comments reflect adjustments to balances

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

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		
Gunnison Basin	\$0	\$0	\$0	\$362,438	\$362,438		
Metro	\$0	\$0	\$0	\$672,094	\$672,094		
North Platte	\$3,000	\$0	\$3,000	\$571,628	\$568,628	\$5,572,824	\$5,572,824
Rio Grande	\$0	\$0	\$0	\$251,347	\$251,347		
Southwest	\$0	\$0	\$0	\$412,503	\$412,503		
South Platte	\$0	\$0	\$0	\$505,865	\$505,865		
YWG	\$0	\$0	\$0	\$693,490	\$693,490		
Water Supply Reserve Fund Total Requests	\$3,000	\$0	\$3,000	\$4,187,477	\$4,184,477		

COLORADO WATER CONSERVATION BOARD
STIMULUS FUND (HBSTIM) - PRE Balance Summary Water Supply Reserve Fund
SEPT 2021

Updated 08/25/21

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	\$8,600	\$200,000	\$191,400	\$0	
Gunnison	\$20,000	\$200,000	\$180,000	\$0	
Metro	\$0	\$200,000	\$200,000	\$0	
North Platte	\$200,000	\$200,000	\$0	\$0	
Rio Grande	\$0	\$200,000	\$200,000	\$0	
South Platte	\$0	\$200,000	\$200,000	\$0	
Yampa/White	\$138,750	\$200,000	\$61,250	\$0	
TOTAL	\$367,350	\$1,800,000	\$1,432,650	\$0	\$3,200,000
TOTAL APPROVED GRANTS					\$367,350

Note: Only includes grants approved by CWCB

Water Supply Reserve Fund Applications for Consideration at the September 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%)	Statewide Match % (Basin/applicant Match vs Statewide - min.40%)	Staff Recommendations	PM
Consent Agenda 2a	Arkansas	Pikes Peak Regional Water Authority	Regional Water Reuse Study	\$7,500	\$38,000	\$53,000	\$80,000	\$0	\$80,000	\$95,000	\$133,000	N/A	250.00%	Staff recommends approval of \$7,500 from the Arkansas Basin Account, \$7,500 from the Metro Basin Account and \$38,000 from the Statewide Account	Kevin Reidy
	Metro			\$7,500											
Director Report	Arkansas	Trout Unlimited	Arkansas River Pueblo Tailwater Erosion Project	\$10,000	\$14,000	\$24,000	\$52,083	\$6,920	\$59,003	\$69,003	\$83,003	N/A	492.88%	Staff recommends approval of \$10,000 from the Arkansas Basin Account, and \$14,000 from the Statewide Account	Rachel Pittinger
Director Report	Arkansas	Watershed Connections	Basin Implementation Plan Education & Outreach	\$15,000	\$10,000	\$25,000	\$0	\$2,820	\$2,820	\$17,820	\$27,820	N/A	178.20%	Staff recommends approval of \$15k from the Arkansas Basin Account, and \$10k from the Statewide Acct	Elizabeth Schoder
Consent Agenda 2b	Colorado	Trout Unlimited	Field Support for the "Evaluating Conserved Consumptive Use in the Upper Colorado River"	\$19,800	\$40,000	\$59,800	\$22,400	\$0	\$22,400	\$42,200	\$82,200	N/A	105.50%	Staff recommends approval of \$19,800 from the Co Basin Account, and \$40,000 from the Statewide Acct	Ag Water Specialist
Director Report	Gunnison	Colorado Ag Water Alliance	Agriculture Water User 2021-2022 Priorities, Outreach and Grant Writing Assistance	\$4,500	\$14,500	\$26,000	\$23,000	\$0	\$23,000	\$34,500	\$49,000	N/A	237.9%	Staff recommends approval of \$4,500 from the Gunnison Basin Account, \$3,000 from the North Platte Basin Account, \$7,000 from the South Platte Basin Account, and \$14,500 from the Statewide Account	Ben Wade
	North Platte			\$3000/H2BO											
	South Platte			\$7,000											
Consent Agenda 2c	Gunnison	Grand Mesa Water Users Association	Grand Mesa Water Users Efficiency Project	\$20,000	\$45,000	\$65,000	\$17,500	\$0	\$17,500	\$37,500	\$82,500	N/A	83.33%	Staff recommends approval of \$20k from the Gunnison Basin Account, and \$45k from the Statewide Account	Matt Stearns
Director Report	Gunnison	Town of Crested Butte	Lake Irwin Valve and Piping	\$25,000	\$0	\$25,000	\$95,000	\$0	\$95,000	N/A	\$120,000	79.17%	N/A	Staff recommends approval of \$25k from the Gunnison Basin Account	Cole Bedford
Agenda Item 21a	Metro	East Cherry Creek Valley Water & Sanitation District	Aquifer Recharge Study	\$25,000	\$75,000	\$125,000	\$25,000	\$7,750	\$32,750	\$82,750	\$157,750	N/A	110.33%	Staff recommends approval of \$25k from the Metro Basin Account, \$25k from the South Platte Basin Account and \$75k from the Statewide Account	Erik Skeie
	South Platte			\$25,000											
Director Report	Metro	Water Education Colorado	Water '22	\$5,000	\$35,000	\$40,000	\$75,000	\$15,750	\$90,750	\$95,750	\$130,750	N/A	273.57%	Staff recommends approval of \$5,000 from the Metro Basin Account, and \$35,000 from the Statewide Account	Elizabeth Schoder
Director Report	South Platte	Dave Miller Mutual Ditch Company	Dave Miller Ditch Design & Engineering	\$18,750	\$28,125	\$46,875								Staff recommends approval of \$18,750 from the South Platte Basin Account, and \$46,875 from the Statewide Account	Cole Bedford
Agenda Item 21b	YWG	The Nature Conservancy	Maybell Diversion & Headgate Telemetry	\$34,000	\$66,000	\$100,000	\$0	\$0	\$0	\$0	\$100,000		0.00%	Staff recommends approval of \$34,000 from the YWG Basin Account, and \$66,000 from the Statewide Account	Ag Water Specialist
				\$224,050	\$365,625	\$589,675									

Basin	Basin Account Requests	Statewide Account Requests	Total Requests	HB21-1260 Stimulus Funds Current Basin Account Balances	Remaining HB21-1260 Stimulus Basin Account Balances (if all requests approved)	Current HB21-1260 Stimulus Statewide Account Balance	Remaining HB21 1260 Stimulus Statewide Account Balance (if all requests approved)
Arkansas Basin	\$32,500	\$43,000	\$75,500	\$200,000	\$167,500	\$3,200,000	\$2,834,375
Colorado Basin	\$19,800	\$40,000	\$59,800	\$200,000	\$180,200		
Gunnison Basin	\$49,500	\$49,833	\$99,333	\$180,000	\$130,500		
Metro	\$37,500	\$91,500	\$129,000	\$200,000	\$162,500		
North Platte	\$0	\$4,833	\$4,833	\$0	\$0		
Rio Grande	\$0	\$0	\$0	\$200,000	\$200,000		
Southwest	\$0	\$0	\$0	\$191,400	\$191,400		
South Platte	\$50,750	\$70,459	\$121,209	\$200,000	\$149,250		
Yampa/White/Green	\$34,000	\$66,000	\$100,000	\$61,250	\$27,250		
Water Supply Reserve Fund Total Requests	\$224,050	\$365,625	\$589,675	\$1,432,650	\$1,208,600		

**Water Supply Reserve Fund
Water Activity Summary Sheet
September 15-16, 2021
Agenda Item 21(a)**

Applicant & Grantee: East Cherry Creek Valley Water and Sanitation District

Water Activity Name: Aquifer Storage Recovery Modeling Assessment

Water Activity Purpose: Municipal/Industrial - Study

County: Arapahoe

Drainage Basin: South Platte

Water Source: Arapahoe Aquifer

Amount Requested: \$25,000 Metro Basin Account
\$25,000 South Platte Basin Account
\$75,000 Statewide Account
\$125,000 Total Request

Matching Funds: Basin Account Match = \$50,000

- 66.7% of statewide request (meets 10% min)

Applicant & 3rd Party Match = \$32,750 (\$25,000 cash & \$7,750 in-kind)

- 43.6% of the statewide request (meets 40% min)

Total Match (Basin request & Applicant Match) = \$82,750

- 110% of the statewide request (meets 50% min)

Staff Recommendation:
Staff recommends approval of up to \$25,000 from the Metro Basin Account, up to \$25,000 from the South Platte Basin Account and up to \$75,000 from the Statewide Account to help fund the project: Aquifer Storage Recovery Modeling Assessment

Water Activity Summary: If approved, the applicant will use WSRF funds to conduct a Aquifer Storage Recovery (ASR) modeling assessment to sustain groundwater levels in the currently mined Arapahoe Aquifer and thereby maintain long-term well yields. Under this conjunctive management strategy, in wet years, renewable surface waters from the South Platte would be diverted, conveyed through East Cherry Creek Valley's Northern Pipeline (an existing IPP in the South Platte Basin Implementation Plan), treated, and injected into the Arapahoe Aquifer. The water would be recovered during dry years, with the goal of establishing a balance between the quantities recharged and the quantities pumped, stabilizing long term groundwater conditions.

This project entails the development of a groundwater modeling tool to simulate the Arapahoe Aquifer behavior in relation to ASR injection and extraction schedules to further investigate the feasibility of how well ASR may achieve sustainable groundwater conditions underlying the applicant's service area which would aid in sustaining groundwater levels

outside of their service area. Funds from the WSRF will be used to develop the model, evaluate scenarios and document results.

The applicant plans to use the results of this modeling investigation to inform future ASR implementation and system management. A report documenting modeling results will also be made available to Colorado water providers pursuing ASR to inform the technical development of this relatively new water storage strategy within the State.

Discussion: This proposal meets the Water Plan of reducing the Municipal & Industrial gap in the basin as well as meeting South Platte Basin Implementation Plan's goals of promoting multi-purpose storage projects; maximizing implementation of IPP's; maximizing use of existing South Platte water supplies including groundwater; and managing the risks of climate change.

Issues/Additional Needs: No other 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
East Cherry Creek Valley Water & Sanitation Dist.	\$25,000	\$7,750	\$32,750	Secured
Sub-Total Matching Funds	\$25,000	\$7,750	\$32,750	
WSRF Metro Basin Account	\$25,000	\$0	\$25,000	Secured
WSRF South Platte Basin Account	\$25,000	\$0	\$25,000	Secured
WSRF Statewide Account	\$75,000	\$0	\$75,000	
Sub Total	\$125,000	\$0	\$125,000	
Total Project Costs	\$150,000	\$7,750	\$157,750	

CWCB Project Manager: Erik Skeie

**Water Supply Reserve Fund
Water Activity Summary Sheet
September 15-16, 2021
Agenda Item 21(b)**

Applicant & Grantee: The Nature Conservancy

Water Activity Name: Maybell Diversion and Headgate Project Telemetry

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

County: Moffat

Drainage Basin: Yampa River Basin

Water Source: Yampa River

Amount Requested: \$34,000 Yampa-White-Green Basin Account
\$66,000 Statewide Account
\$100,000 Total Request

Matching Funds: **Basin Account Match = \$34,000**

- 51.5% of statewide request (meets 10% min)

Applicant & 3rd Party Match = \$34,000 (cash)

- 51.5% of the statewide request (meets 10% min)

Total Match (Basin request & Applicant Match) = \$68,000

- 103% of the statewide request (meets 50% min)

Staff Recommendation:
Staff recommends approval of up to \$34,000 from the Yampa/White/Green Basin Account and \$66,000 from the Statewide Account to help fund the project: Maybell Diversion and Headgate Project Telemetry

Water Activity Summary: If approved, WSRF funds will assist in purchasing of telemetry equipment as a critical component of updating and modernizing the Maybell irrigation diversion in the Lower Yampa. New remote transmission and receiving equipment will allow for easier operation and more precise control of irrigation water after many decades of disrepair.

The project will modernize irrigation infrastructure, increase agricultural efficiency, benefit designated critical habitat of four endangered fish (the Humpback chub, Bonytail, Colorado Pikeminnow, and the Razorback Sucker), and improve safety for recreational boaters.

Maybell Irrigation District diverts approximately 20,000 acre-feet annually to serve 18 producers and nearly 1,200 acres of hay pasture. This project will improve flows and habitat connectivity in at least 21 miles of the Yampa River and support the recovery of the four endangered fish while meeting water users' long-term irrigation needs. Partnerships between agricultural, environmental, and

recreational interests are critical to increasing resilience to drought and climate impacts for the local community, river recreationists, native fish, and the riparian corridor.

The entire project of rehabilitating the Maybell Diversion is estimated to cost \$2.9 million. CWCB has awarded \$73,000 of Yampa/White/Green Basin funding for the engineering and design of the headgate modernization efforts at the May 2019 CWCB Board Meeting. This phase of the project is scheduled to finish in December 2021.

Discussion: This project meets with several measureable outcomes in the Yampa-White-Green Basin Roundtable's Basin Implementation Plan including: protecting and encouraging agricultural uses of water in the basin within the context of private property rights; improving agricultural water supplies to increase irrigated land and reduce shortages; quantify and protecting non-consumptive water uses; restore, maintaining and modernizing water storage and distribution infrastructure; developing an integrated system of water use, storage and administration and delivering water shortages and meeting environmental and recreational needs; and the providing for multiple beneficiaries.

Issues/Additional Needs: No other 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
The Nature Conservancy	\$34,000	\$0	\$34,000	Secured
Sub-Total	\$34,000	\$0	\$34,000	
WSRF Yampa/White/Green Basin Account	\$34,000	\$0	\$34,000	Secured
WSRF Statewide Account	\$66,000	\$0	\$66,000	
Sub-Total	\$100,000	\$0	\$100,000	
Total Project Costs	\$134,000	\$0	\$134,000	

CWCB Project Manager: TBD