Grant Guidelines

Introduction

Legislation and Authority
Senate Bill 06-179, adopted by the 2006 General Assembly, created the Water Supply Reserve Account, now called the Water Supply Reserve Fund (WSRF) per SB13-181. The WSRF grant program is subject to amendment by the legislature - most recently by SB21-281. The WSRF Criteria and Guidelines (guidelines hereafter) are also subject to review and revision at the discretion of the CWCB Board.

While roundtables recommend WSRF grants for approval to the board and while the Interbasin Compact Committee (IBCC) is consulted on guideline changes, CWCB has the sole discretion to establish the WSRF guidelines and the CWCB is the ultimate approver of any WSRF grants which are recommended for approval and moved to the board for consideration. Additional requirements cannot be imposed on the CWCB by a local public body or other entity. Guidelines or other requirements are set by the CWCB and can only be amended by the CWCB or the state legislature. This document establishes the criteria and guidelines developed by the CWCB. In approving grants from the WSRF, the CWCB will apply the criteria and guidelines described in this document.

Intended Use and Contracting
WSRF funds are to be used to fund water activities within any designated roundtable on a competitive basis based on the eligibility requirements and the evaluation criteria outlined in this document. Grant funds can be used to fund projects, studies or other planning efforts but cannot be used to hire consultants directly - all contracts are with the State of Colorado and are managed and reportable to the CWCB.

Severance Tax Variability
Applicants should be aware that many variables will impact funding levels, including Severance Tax. This impacts the amount of money coming into the CWCB from Severance Tax to fund things like the WSRF program.

Alternatives to WSRF Grant Funding
WSRF grant funds as match funding for a Water Plan Grant may not be approved unless prior written approval from CWCB staff has been secured in advance of the application submission.

Stabilized Funding and Annual Basin Account Distribution
To fund WSRF grants, a Basin Account was established and annual allocations are distributed equally, unless otherwise noted, across the nine (9) basin roundtables. The CWCB tracks distributed funds by basin and monitors ongoing balances and expenditures. The CWCB also manages a statewide account.

- **Statewide Savings Account**
  To provide stability, the Statewide Account (previously used for match) is now operated by CWCB as a savings account which is used to fill up each basin’s annual distribution and help reduce the impacts of severance tax variability which has had no disbursement to WSRF in recent years. Balances held in the statewide account act to provide a reservoir of funds which can make annual releases to the Basin Account.

- **Basin Disbursement, Tracking and Cap**
  Pending severance tax funding availability and annual board review and approval, the CWCB aims to target a distribution of $300,000 to each basin annually. Fund balances may be carried from year-to-year but the total balance for each basin will not exceed a basin cap of $750,000. If a disbursement were to cause a basin account to exceed $750,000, the remainder of the disbursement would be reallocated evenly amongst the other basins that remain under the cap. If all basin accounts are at the $750,000 limit or the disbursement causes basins to reach the cap, any remaining dollars would revert back to the Statewide Account, which now acts as more of a savings account to store monies which can be used to fund basin distributions in the following year(s).

**Eligible Applicants include:**

- **Governmental Entities**
  Governmental entities include 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 Efficiency Plan.

- **Private Entities**
  Private entities include mutual ditch companies, non-profit corporations, and partnerships, etc.

**Eligible Project Examples**
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. Infrastructure replacement or maintenance projects.
- Activities that promote education, outreach, and innovation consistent with the mission and goals of the Colorado Water Plan.

**Matching Fund Requirements**
WSRF Grant requests require matching funds. A minimum of 25% match is required for all WSRF projects. Greater weight may be given to projects with a higher match. Project costs may consist of a combination of in-kind and cash match. Applicants should identify matching funds as either pending or
secure and provide evidence of those matching funds (such as an award letter). Matching funds must be secured within one year of the application date and prior to contracting.

Non-CWCB matching funds include state agencies such as Great Outdoors Colorado (GOCO), Colorado Parks and Wildlife (CPW) funding, and other state and/or 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.

**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:**
In-kind match includes 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 percent charges to cover such items be allowed. These business expenses are NOT reimbursable costs and may not be claimed as matching contributions.

**Past Expenditures:**
Recognizing the limited resources of some entities, past expenditures directly related to the water activity may be considered as matching funds if the expenditures occurred within 9 months of the execution date of the contract or purchase order between the applicant and the State of Colorado.

**Application Process**
Applicants should contact the applicable roundtable and CWCB staff early in the process, several months (6 - 12 months) before the applicant would like to begin the project to ensure they can be placed on roundtable agendas and consult with WSRF coordinators at CWCB and roundtable level early in the process.

Applicants must upload application documents into the CWCB Grants & Loan Portal (portal). Application forms are available on the CWCB website (https://cwcb.colorado.gov) under Loans and Grants. Basin WSRF coordinators will evaluate the application from the portal using the roundtable’s process. The roundtable will determine if the application meets the eligibility requirements described in this document, including the requirements for matching funding. If the application is recommended for approval, the roundtable will submit a written recommendation to the CWCB signed by the Roundtable Chair through the portal. The letter of recommendation must specify the amount of grant funding requested from the Basin Account and describe how the water activity meets Basin Implementation Plan goals. The letter should describe the level of agreement among roundtable members, who opposed the application and why, and any minority opinion.

Applicants should include at a minimum the following documents:

- Completed Application through the CWCB Grants & Loan portal
- Upload a Word version of Exhibit A (Statement of Work)
- Upload Engineer’s estimate of probable cost for construction projects over $100,000
- Upload the Exhibit B Budget & Schedule A detailed budget must be provided in Excel
- Upload Maps to the grants portal (if applicable)
- Upload Letters of Commitment (matching funds) as PDFs
- Upload Photos or drawings as PDFs
- Upload a Letter of Approval from the Roundtable Chair or check that the Standard Approval

Applicants should confirm that the documentation in the grants and loan portal correctly captures the chair’s approval of their project (submitted by the Basin Chair via the grants portal).

**Evaluation Criteria**

The proposed water project shall be evaluated using the WSRF Guidelines and the criteria for state support in Colorado’s Water Plan. In general, the proposal will be evaluated on how well it aligns with the respective Basin Implementation Plan(s). 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.

The CWCB’s review and approval process will include the following steps:
- Following a Roundtable recommendation for approval, CWCB staff will determine if the required documentation has been submitted. The application will be accepted once all documentation has been received.
- CWCB staff and a committee of subject matter experts will evaluate the application based on the criteria described in this document and notify the CWCB Board member representing the corresponding basin.
- CWCB staff will prepare a Water Activity Summary Sheet for the Board, or the CWCB Director based on the grant amount requested per CWCB Policy 25, that contains the application, the required documents and optional documents listed above, and an explanation of the staff’s recommendation for Board/Director action.
- 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.
- Successful applicants are expected to execute a contract with CWCB within six (6) months of award.

**Initial CWCB Review of Grant Applications**

After thorough evaluation, CWCB staff will recommend applicable projects to the CWCB Board or CWCB Director for approval of grant funding during regularly scheduled Board meetings. The CWCB reserves the right to negotiate with applicants to modify the scope and/or budget of a project to ensure it aligns with procurement rules, enhances the quality of the projects, and/or better aligns with state planning documents. The latter include subsequent statewide water supply initiative (SWSI) updates like The Analysis and Technical Update to the Colorado Water Plan (Technical Update), the Basin Implementation Plans, and the Colorado Water Plan.

**Documents Required for Contract Execution**
- Insurance Certificate of Liability (Government entities excluded)
- Secretary of State - Certificate of Good Standing
- W-9 Taxpayer Identification number and certification
- Electronic Funds Transfer (preferred)
CWCB Review Schedule:
The CWCB will make decisions for approving or denying the allocation of WSRF during any of its scheduled meetings. The table below lists the submittal deadlines for the respective Board meetings.

Table 1: WSRF Submittal Dates and Board Meeting Schedule

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<tr>
<th>CWCB Board Meeting</th>
<th>WSRF Submittal Date</th>
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<tr>
<td>January</td>
<td>October 1</td>
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<td>March</td>
<td>December 1</td>
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<tr>
<td>May</td>
<td>February 1</td>
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<td>July</td>
<td>April 1</td>
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<td>September</td>
<td>June 1</td>
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<td>November</td>
<td>August 1</td>
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Grant Administration

Contracting:
After approval of funding, 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. For contracts related to easements (e.g. Conservation easements) CWCB staff may require additional processing time. If a grant is not executed within this six (6) month time frame due to applicant delays, staff may revert funds back to appropriate accounts, after consulting with the respective roundtable(s).

Reporting Requirements:
Progress Reports: The applicant shall provide the CWCB 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:
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 of 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. Payments are limited by the proportionate grant percentage of the overall project. 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 * & estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent
- Supporting documentation for items or services billed

*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.

Grant Amendments:
Grants may be amended as appropriate, including modifications to Exhibit A, Statement of Work, Budget, and Schedule; purchase order or contract extensions; and Change of Grantee. All amendment requests shall be submitted on the grantee’s letterhead, and shall include:
- Date of request; Grantee’s contact name, email address, physical address, and phone number; Roundtable that recommended the grant; Date of CWCB approval;
- Contract or purchase order number and current expiration date; Rationale for amendment;
- Revised Tasks - CWCB Program Manager approval required; Revised Exhibit A (Statement of Work and Budget/Schedule Table);
- Extension to Terms - Revised Exhibit A, Schedule (B, C, etc.) with desired expiration date;
- Request for Change of Grantee - A signed Letter of Request shall be accompanied by (when applicable): a revised Statement of Work, Budget, and Schedule (proposed new Grantee); a letter drafted by current Grantee requesting the release; a letter drafted by proposed Grantee accepting grant obligations and responsibilities; and an updated Certificate(s) of Insurance for the proposed new Grantee. Requests for Change of Grantee must be presented and approved by the CWCB Board.

Amended documents for grant extension requests shall be delivered to CWCB 30 days prior to the current expiration date of purchase orders and 90 days prior to expiration of a contract.