



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

WATER PLAN GRANT PROGRAM

Grant Guidelines

Approved May 17, 2022

Grant 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 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.

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, alternative transfer method (ATM) 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, water efficiency, 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.
- Watershed Health & Recreation Projects - Projects that promote watershed health, environmental health, and recreation.

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

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. *A minimum of 50% match is required for all construction projects and a minimum of 25% match is required for all plans or studies.* Greater weight will be given to projects with a higher match. 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 and provide evidence of matching funds (such as an award letter). Matching funds must be secured within one year of application date.

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).

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 per cent 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

The grant application must be submitted through the Grant Portal, which is linked from the [CWCB website](#). Applicants will be prompted to submit the following items to the portal:

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

Additionally, a support letter from the appropriate basin roundtable that provides information about how the project aligns with the applicable Basin Implementation Plan and Water Plan goals is welcomed but not required. Any letters received should be either uploaded into the grant portal along with the application materials, or emailed directly from the basin roundtable to the appropriate CWCB staff.

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.

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.

Documents Required for Contract Execution:

- Insurance Certificate of Liability (Government entities excluded)
- Secretary of State - Certificate of Good Standing
- W-9
- Electronic Funds Transfer (preferred)

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 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.
- Applications will be posted on the CWCB website 30 days after the application deadline. At the September and March Board meetings, staff will present the applications to the Board in accordance with Board Policy #25, 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, 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 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 *
- 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.

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, water sharing agreements, ATMs, 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; or identified as meeting a defined need identified in the Analysis and Technical Update to the Water Plan?
- 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)?

ATM Criteria and Considerations:

If the project includes components relating to water sharing agreements or an ATM (defined as a methods and concepts by which new water supplies could be made available between willing partners while minimizing permanent dry-up of irrigated agricultural lands or long-term socioeconomic and environmental impacts of more traditional water transfers):

- Does the proposed project/program build upon the work of former alternative water transfer methods and water sharing agreements, address critical barriers that have been identified (e.g. permanency, risk, infrastructure) in the Colorado Water Plan, or help address known research gaps?
- Does the proposed project address one or more key recommendation(s) in the 2020 [*“Alternative Transfer Methods in Colorado” status report?*](#)
- Does the proposed project/program address a specific water supply shortfall and provide benefits to multiple sectors, including agricultural, municipal/industrial, environmental, and recreation sectors?
- Does the project have the potential to produce a reliable water supply that can be administered by the Colorado Division of Water Resources?
- How and to what extent the proposed project will improve water supply reliability in general in the region upon implementation of the project (e.g. reducing conflict, increasing resilience to drought, sustaining agricultural communities, etc.)?
- Will the proposed project/program produce information that is transferable and transparent to other users and other areas of the state and include stakeholder engagement and outreach?
- Does the project involve the demonstration of a new water-sharing or alternative transfer method approach that is innovative and which may be applied by others?
- Will the proposed project/program advance water management alternatives that benefit areas of potential water development? For example, does the project help conserve working lands, diversify agricultural operations, or provide a community economic benefit that may otherwise have been impacted by a traditional water transfer?
- Will the proposed project/program increase our understanding of how to develop more cost-effective and technically feasible water sharing arrangements?
- Will the proposed project/program not adversely affect other water right holders or stakeholders not participating in the project/program, or at least mitigate any impacts?
- Are there complex issues, including issues of law or policy, that would need to be resolved before the project could be implemented?
- Does the project have local support and include diverse partnerships? Does the project complement or help implement other ongoing or recent planning or programming efforts in the project region?

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), water conservation plan development, water efficiency plan development, drought management planning state agency conservation.

Criteria and considerations:

- Does the project reduce overall future water needs through cost-effective water efficiency measures?
- Does this project implement actions identified in locally adopted water conservation, efficiency or drought management plans?
- 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?
- If the project is to develop a water conservation plan, does it utilize the Water Conservation Plan Development Guidance Document?
- If the project is to develop a drought management plan, does it utilize the [Drought Management Planning Guidance Document](#)?

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.

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
 - 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?

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:

- Ditch-wide and regional planning efforts to assess system-wide conservation and efficiency opportunities and tradeoffs
- Irrigation infrastructure improvements and modernization, particularly where improvements address identified agricultural water shortages and provide multiple public 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; or identified as meeting a defined need identified in the Analysis and Technical Update to the Water Plan?
- 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?
- 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)?

Watershed Health & Recreation Projects

The Colorado Water Plan defines watershed health as “a measure of ecosystem structure and function. Structure refers to species richness (characterized by abundance and diversity), inorganic and organic resources, and physical attributes (including habitat complexity). Function refers to ecosystem processes such as the hydrologic cycle, nutrient cycling, energy flow, and succession.” Healthy watersheds are resilient, and resilient ecosystems are able to absorb repeated disturbances (e.g. fires, floods, droughts) and adapt to change without fundamentally changing the services (e.g. flow regime) upon which society and the environment depend. Well-formed applications in the Watershed Health and Recreation category will take these ideas into consideration. A variety of watershed health opportunities can be addressed with this grant category, and applicants should demonstrate a multi-objective approach.

Grant Types:

There are three grant types in the Watershed Health and Recreation Category of Colorado’s Water Plan Grant program. They are *planning, design, and project* grants. Each type is discussed below. Applicants should contact the CWCB to discuss potential applications if there is any question about eligibility. Applicants may submit applications that combine the different grant types.

Planning grants:

Planning studies include the data, analysis, and social requisites necessary to explore restoration and protection alternatives. They develop project concepts and guidelines that reflect the values, goals, and objectives of the watershed community. These studies are typically performed at watershed, county, or stream reach scales to inform priorities for watershed & forest health, flood hazard mitigation, and water based recreation. This grant type can include watershed plans and assessments, watershed & stream master plans, [stream management plans](#), [Wildfire Ready Watersheds](#) framework implementation, [Fluvial Hazard Zone](#) mapping, elements of the [Colorado Department of Public Health and Environment’s Watershed Planning](#), and recreation enhancement planning.

The objectives for the planning effort should be clearly described in the application. Please describe how the planning will aid local stakeholders to conserve, develop, protect, and manage Colorado’s water resources. Please also outline if and how the plan will be used to protect life and property from flood and fluvial hazards.

Design grants:

Design grants support analysis and design efforts to develop construction documents (plans specifications, reports, permits, and supporting data). Designs are typically performed at stream reach scales or individual site locations. Applications of this grant type can include baseline data collection, modelling, engineering, and permitting. Designs for stream channels and floodplains should come with a strong commitment to protect, manage, and restore river and floodplain ecosystems.

Project grants:

Project grant applications should focus on the implementation of priorities identified through stakeholder led planning processes. They should be informed by a plan type described in the Planning Grants section above. Project grants should also demonstrate a

strong commitment to restoring, protecting, or enhancing the ecological processes of the riverine environment.

Project types may include stream channel and floodplain restoration, habitat development for aquatic and terrestrial species, re-vegetation of riparian areas & invasive species removal, erosion mitigation in upland areas, improvement of water based recreational opportunities, and fish & boat passage. Restoration is a general term that may include the restoration, reconfiguration, rehabilitation, or resurrection of stream channels and floodplains. Monitoring associated with project implementation is also an eligible activity for this grant type. Recreation projects must demonstrate no adverse impact to ecological structure and function. More specific project types are listed below.

- Stream restoration and riparian habitat improvement projects
- Removal of invasive phreatophytes, e.g. tamarisk and Russian olive
- Projects that support multi-objective 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
- Structural solutions (e.g., diversion structure reconstruction with fish and boat passage)
- Flow-related projects (e.g., split-season use of water - irrigation and instream flow use)
- Multi-objective flood mitigation projects
- Post-Wildfire impact mitigation projects
- Recreational in-channel diversions and other projects that provide or improve boating opportunities

Basic Applicant Qualifications:

Applicants are required to demonstrate that the planning, design, or project application meets the minimum criteria outlined below.

Grant applicants must demonstrate:

- a commitment to collaborative approaches, involving locally and/or regionally based diverse interests within the watershed in question, with participation open to all interested persons in the watershed. Please list the stakeholders and how they will be involved.
- a commitment to restoring or protecting the ecological processes that connect land and water;
- a broad based involvement in or support for the grant application, including relevant local, state, or federal governmental entities
- That the plan, design, or project is fiscally and technically feasible.
- That a design or project grant has been informed through a planning effort similar to those described in the Planning Grant section
- That a grant for recreation will not have any negative impacts on ecosystem structure or function. Ideally it will enhance ecosystem structure and function while also addressing recreational needs.