Agricultural Emergency Drought Response
Grant Guidelines/Procedures

The purpose of the Agricultural Emergency Drought Response Program (“Program”) is to provide funding assistance to agricultural organizations (e.g., augmentation companies, ditch and reservoir companies, conservancy districts, conservation districts), in the form of grants, for securing augmentation/irrigation water through leasing or groundwater pumping for emergency drought purposes (“Emergency Augmentation”). $1,000,000 in grant funds will be available for any fiscal year in which a drought is declared.

The Program provides grant funds primarily for the cost of the Emergency Augmentation water but also can provide for engineering, attorney fees and other water acquisition administrative costs, not to exceed 5% of the grant amount. If the source of Emergency Augmentation water is through supplemental groundwater pumping the additional operational costs of pumping are eligible for funding through the Program. The Program does not provide grants for general operational expenses, maintenance or rehabilitation of facilities, or research projects. The Program does not provide funding for any anticipated costs associated with Emergency Augmentation, only for verified costs incurred during a previous irrigation season.

Grants are limited to projects within counties, pursuant to Federal or state law, where an emergency drought designation or a disaster emergency has been proclaimed. A current map of drought-activated counties can be found on the Colorado Water Conservation Board’s Drought webpage (https://cwcb.colorado.gov/drought) and the United States Department of Agriculture Farm Service Agency website (https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index).

Procedures

Program applications for costs incurred during an irrigation season are due on the following January 1st. Applications must be limited to Emergency Augmentation expenses accrued the previous calendar year in which a Federal or state drought designation or emergency declaration was made.

Once submitted, CWCB staff will review applications for completeness based on the following checklist:
1. A cover letter detailing the amount of funds requested for the drought period. (The person ultimately responsible for signing grant and loan contracts on behalf of the applicant must sign the letter);
2. The name, title, address, telephone number, and e-mail of the primary contact person;
3. A detailed description of the purpose of the grant as it pertains to an emergency drought related water augmentation purpose;
4. A copy of the official drought declaration for the affected Counties by the Governor, Federal Government or other official source (available at https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/disaster-designation-information/index);
5. A detailed line item budget for the project/purchase, showing all projected and actual expenditures including in-kind support;
6. The organization’s current annual budget, along with a copy of the organization’s annual report and financial statements;
7. Information about the organization seeking funds, including institutional and historical background, a list of the board of directors, the legal classification of the organization and a copy of the organization’s current determination letter indicating tax-exempt status; and
8. A letter or other written review by the Division Engineer of the Division in which the organization is located.

While not required, all applicants are strongly encouraged to share a current drought contingency plan or equivalent documentation outlining the applicant’s long-term planning for drought response, as reliance on emergency funds for augmentation needs may present challenges to water users.

Upon staff review, all applications will be submitted with a recommendation to a Program Management Committee composed of the Director of the Colorado Water Conservation Board, the State Engineer, the Executive Director of the Department of Natural Resources, and the Commissioner of Agriculture, or a committee member’s designee. The Program Management Committee will review the application materials and staff recommendation and make a final decision regarding each submitted application.

**Base Grant Amount Calculation**

The Program provides grants for the temporary lease or groundwater pumping of Emergency Augmentation water. Base grant amounts are calculated based on the actual costs of the leased augmentation water, reduced by an average lease cost based on historic average augmentation water lease/pumping costs.
Example: Total cost of augmentation for the grant year\(^1\) = $75,000
Historic average cost of augmentation\(^2\) = $15,000
Base grant amount = $75,000 - $15,000 = $60,000

For applicants who are leasing Emergency Augmentation water for the first time, therefore lacking a historical average, the grant request will be the total amount spent on Emergency Augmentation. Grant funds will be disbursed following the execution of a State funding contract by the applicant. The disbursements will be made based on the grantee's request that will include all applicable receipts and documentation of the water lease or purchase.

All applications shall be prepared following the above guidelines and emailed to CWCBAgDrought@state.co.us with the subject line Agricultural Emergency Drought Response Grant Application Request.

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\(^1\) Includes all allowed costs as described above
\(^2\) Historical averages should include up to ten years, limited to non-drought years. If an applicant has not leased water in past years, the historic average lease line can be noted as not applicable.