



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members

**FROM:** Ben Wade & Dori Vigil  
Water Supply Planning Section

**DATE:** April 22, 2024

**AGENDA ITEM:** Agenda Item #11a-b, Water Supply Reserve Fund, Grant Funding  
Recommendations

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**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, verify that the water activity meets the eligibility requirements and also verifies that the applicant was an eligible entity to receive funding which are primarily outlined in the Grant Guidelines.
- 2) 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:**

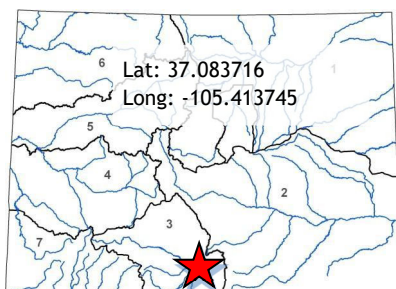
To provide the Board updates on the status of specific Water Supply Reserve Fund grant applications and projects, staff can provide a status report of the following information upon request:

- List of completed WSRF projects;
- List of WSRF projects in progress; and
- List of WSRF projects in the contracting and procurement process.





## Water Supply Reserve Grant Application



| LOCATION                          |
|-----------------------------------|
| <b>County:</b> Costilla           |
| <b>Drainage Basin:</b> Rio Grande |

The applicant owns the Sanchez Reservoir which serves 22,404 irrigable acres in the Culebra watershed. The reservoir was built in 1911 and seepage has been a consistent issue. The State Engineer's Office placed a 21,311-acre-foot storage restriction on the reservoir. The applicant believes decades of drought, combined with dam operations challenges has resulted in a threat to the stability of this region's agricultural sector for Costilla County. Sanchez Reservoir is also used for flood control, recreation, and water supply.

If approved, the applicant would use grant funds to study alternatives to repair the Sanchez dam and improve its infrastructure. The applicant will use existing seepage studies, new geotechnical data, and consultation with the State Engineer's Office to inform dam repair designs. With project partners, including the Rio Grande Headwaters Land Trust, the applicant will assess opportunities to improve storage, conveyance, and distribution infrastructure, focusing on the Stabilization Pond. Informed in part by the Costilla County Conservancy District's Upper Culebra Watershed Assessment, the outcome of the proposed study will produce designs, timelines, and a plan for infrastructure repair and upgrades.

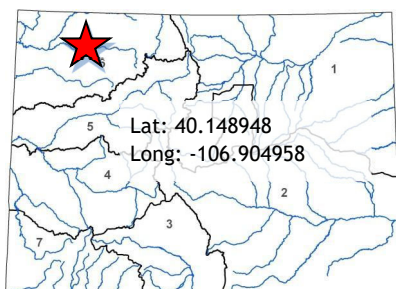
The project aligns with the Rio Grande Basin Implementation Plan and meets the goals to protect the viability of the agriculture community, address water scarcity challenges, and support wildlife, fisheries, outdoor recreation, and economic resilience.

**Issues/Additional Needs:** A portion of their matching funds the applicant has included in the budget proposal, per the WSRF grant guidelines, can no longer be counted as match as the previous expenditures were made beyond 9 months. The applicant is aware they will need to secure all match funding prior to contracting. No other issues or additional needs have been identified.

**Funding Recommendation:** Staff recommends approval of up to \$60,505 from the Rio Grande Basin Account and up to \$453,083 from the Statewide Account. Project approval is contingent upon the applicant's ability to resolve issues and additional needs identified by staff.

| DETAILS  |           |
|--|-----------|
| <b>Total WSRF Project Cost:</b>  | \$605,044 |
| <b>Total WSRF Grant Request:</b>   | \$513,588 |
| <b>Rio Grande Basin Account Request:</b>   | \$60,505  |
| <b>Statewide Account Request:</b>  | \$453,083 |
| <b>Recommended Amount:</b>   | \$513,588 |
| <b>Other CWCB Funding:</b>   | \$0       |
| <b>Other Funding Amount:</b>   | \$0       |
| <b>Applicant Match:</b>  | \$91,456  |
| <b>Project Type:</b> Design/Engineering Study  |           |
| <b>Water Use Type:</b> Agricultural  |           |
| <b>Statewide Category:</b> Aging Infrastructure  |           |
| <i>Measurable Result: 33,332 acre-feet of existing storage preserved; and Other: The Safe Storage Level for Sanchez Dam is restricted to reservoir gage height 3253 ft (current staff gage datum) or previous gage height of 34.7 ft, which corresponds to a storage volume of 21,511 acre-feet or a loss of storage of approximately 83,832 acre-feet. Stability Pond infrastructure studies aim to augment and improve fishery and wildlife options, mitigate storage and conveyance losses, and encourage community-based planning for outdoor recreation at the Stabilization "Park." (The Stabilization Park functions as the center of the Sanchez conveyance and distribution system and was built in the mid 1950's to manage water which has already been captured by the main reservoir. CO Parks &amp; Wildlife stocks the Park on a regular basis and is a popular local fishing and picnic area.)</i> |           |

## Water Supply Reserve Grant Application



| LOCATION                     |
|------------------------------|
| <b>County:</b> Routt         |
| <b>Drainage Basin:</b> Yampa |

| DETAILS  |           |
|--|-----------|
| <b>Total Project Cost:</b>   | \$247,800 |
| <b>Total WSRF Grant Request:</b>   | \$185,850 |
| Yampa/White/Green Basin Account Request:   | \$24,780  |
| Statewide Account Request:   | \$161,070 |
| <b>Recommended Amount:</b>   | \$185,850 |
| Other CWCB Funding:  | \$0       |
| Other Funding Amount:  | \$36,450  |
| Applicant Match:   | \$25,500  |
| Project Type: Design & Construction  |           |
| Water Use Type: Agricultural   |           |
| Statewide Category: Aging Infrastructure   |           |
| Measurable Result: Other: "This project looks to install a new stop-log diversion and headgate at the Nickell ditch on the Bear River. The design of the diversion and headgate will allow the ability of future water leases if pursued to pass through the diversion." |           |

The applicant is applying on behalf of the Nickell Ditch Company, who is unincorporated and unable to contract with the State and fulfill grant requirements.

The applicant has been working on the "Bear River Project" for several years to upgrade the agriculture diversions on the Bear River above the Town of Yampa. The applicant has been working with the agriculture producers and other stakeholders to develop a project that will provide multiple benefits for the Bear River, which is the most administered river in the Yampa basin. The overall project aims to improve diversion infrastructure, riparian health, and add automation to the river to improve river health and water delivery.

If approved, WSRF funds will be used to install a new stop-log diversion and a new headgate on the Nickell Ditch. The design of the diversion and headgate will allow future water leases, if pursued, to pass through the diversion. A measuring device will also be built to facilitate the potential delivery of water to meet the junior CWCB instream flow right.

The project aligns with the Yampa/White/Green Basin Implementation Plan goals 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 and restoring, maintaining, and modernizing water storage and distribution infrastructure.

Issues/Additional Needs: No issues or additional needs have been identified.

Funding Recommendation: Staff recommends approval of up to \$24,780 from the Yampa/White/Green Basin Account and up to \$161,070 from the Statewide Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.