



COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

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DATE: July 17, 2024 Board Meeting

AGENDA ITEM: 8. Turf Replacement Program Criteria & Guidelines Approval

Staff Recommendation

Staff recommends that the Board approve the criteria and guidelines for the Turf Replacement Program.

Background & Program History

Legislative History

In 2022, the Colorado Legislature passed [HB 22-1151](#), which directed the Colorado Water Conservation Board (CWCB) to develop a state-wide program to finance the voluntary replacement of irrigated turf with water-wise landscaping. The passage of HB 22-1151 provided \$2 million to the CWCB to staff, create, implement, and manage a turf replacement incentive program. The bill required CWCB to provide matching funds for eligible entities who have existing turf replacement programs (to expand their efforts), to support new eligible entities who are considering starting a program, and to hire at least one third-party contractor to help administer new programs where they do not currently exist.

Program Rollout

Funding for the Turf Replacement Program (Program) became available in July 2022, and CWCB was directed by the legislation to develop a program by July 2023. Media coverage of the forthcoming program piqued widespread interest after the bill's passage. Through initial stakeholder outreach with eligible entities, it became clear that water providers needed to plan and budget for programs in October 2022. These pressures combined to accelerate the Program launch to January 2023, shortly after the release of the 2023 Colorado Water Plan. This allowed the Program to be active ahead of the start of the 2023 irrigation season (i.e., spring).



Program Design

Because the initial Program funding came from taxpayer dollars (i.e., the General Fund) and was designated as one-time funding, CWCB staff anticipated a need to minimize overhead costs and focus on ways to make the application process fast (avoiding long review and approval windows), easy to complete (to ensure capacity-limited entities could still apply), and targeted towards equitably distributing the funds (e.g., east slope/west slope, spread across cities). Additionally, the funding was set to sunset on June 30, 2025, so there was a need for efficiency and expediency given the limited number of growing season months when funding recipients could leverage the award. For all these reasons, CWCB took a novel and streamlined approach to distributing the funds.

CWCB ran the initial round of Program funding using direct contracts (i.e., purchase orders for under \$50,000) to streamline the distribution of funds, effectively making Program funding recipients third-party contractors to replace turf with water-wise vegetation. Because the legislation allowed CWCB to contract with third parties to implement programs, treating all eligible applicants as third-party contractors. This allowed CWCB to launch the Program in January 2023 (six months early). The first cycle of funding recipients was notified of their funding in early May 2023, allowing them to start rolling out programs immediately.

Creating Guidelines

The initial Program guidelines were not framed as typical grant criteria and guidelines but instead crafted to set clear requirements for contracting, including guidance for each scope of work and budget. To establish those requirements, CWCB referred to the wording of the legislation but also added specificity that catered to the unique Program design. Some of the specifications included standard reporting requirements but also requested, where possible, the reporting of estimated and realized water savings. Other criteria refined the language in the legislation with regard to the eligible entities. This level of detail ensured the Program was fair, transparent, and aligned with the legislation's intent.

During the [January 2023 CWCB Board Meeting](#), CWCB staff presented the reasoning behind further clarifying the eligible entities aligned with the intent of HB 22-1151. CWCB has consistently communicated the refined eligibility list, which remains on the [Program's landing page](#). Entities eligible for Program funding are as follows:

- Local Government (municipalities, counties, cities, public agencies, municipally owned water providers);
- Districts (metropolitan districts, special districts, water or water and sanitation districts, conservancy districts);
- 501(c)(3) Nonprofits (organizations with 501(c)(3) status who have programs that can support turf removal); and
- Colorado's Federally Recognized Tribes (Ute Mountain Ute and Southern Ute Indian Tribes).

Program Data

The pilot Program was rolled out across two cycles (January 25 - March 31, 2023, and July 1 - August 31, 2023), resulting in [50 eligible entities](#) contracting to begin spending the allocated money within the first year. The direct contract approach of limiting each applicant to \$50,000 effectively helped CWCB spread the funds across the State. The CWCB was able to award funding up to \$50,000 for every eligible entity that applied.

Across the two funding cycles, CWCB executed 50 contracts (3 contracts are still pending), with 13 from the east slope (26%) and 37 from the west slope (74%). Applicants applying for less than \$50,000 in the first funding cycle could apply for additional funding during the second funding cycle so long as the total request across cycles did not exceed \$50,000. While priority was given to applicants who had not received Program funding in the first cycle, only 12% of first-cycle funding recipients took advantage of the ability to apply for additional funding of up to \$50,000. Ultimately, contract amounts ranged from \$8,000 to \$50,000. This data may indicate a range of program needs or demonstrate a focus on the part of eligible entities on achieving specific projects rather than programmatic expansion. It could also potentially point to the challenge of mobilizing match funding quickly. However, there were some examples when turf funding was being used as part of a more significant project - some of which ultimately came in for Water Plan Grants (which have been and continue to be used to fund landscape projects like turf removal).

Resource Central Involvement

On the front range, 15 of the 37 funding recipients (41%) are working with Resource Central, an existing non-profit organization dedicated to helping people save water, reduce waste, and conserve energy, as a third-party contractor to execute turf removal and replacement. With such a large percentage of participants using their services, Resource Central effectively functioned as an arm of the Program.

In September 2023, Resource Central applied for and received a \$1.5 million Water Plan Grant to continue turf removal and replacement efforts on both the East and West Slopes. This nearly doubled the turf replacement funds made available by the State at the time.

CWCB also worked with Resource Central to create more equity for those who wanted to pilot a demonstration program but could not initiate a large-scale turf rebate program. The resulting Transformative Landscape Change Challenge (TLC Challenge) went through one round with four awardees in 2023. It is currently underway on a new funding round to help 15 communities transform specific and highly visible sites in their communities over the next year. The TLC Challenge aims to create a proof of concept for community members to see what turf replacement can look like, recognize the beauty of xeriscape, and inspire community members to make changes to their lawns.

Key Takeaways

Some lessons learned include:

- **Many Residential Turf Programs are Small** - Many programs that came in for funding for residential rebates (including almost all the entities who work with Resource Central) have relatively small rebate efforts and are working to scale up interest, demand, and capacity. Resource Central is working with Program-funded communities through its Water Plan Grant to generate more participant interest and grow local programs. With the initial Program funding, CWCB approved every eligible entity application and anticipates that Resource Central's Water Plan Grant-supported program will support local efforts alongside the new funding allocation for the state's Program.
- **Conservation Programs Struggle with Capacity** - Staffing structures, turnover rates, and resource availability have resulted in some entities lacking dedicated capacity to manage local turf replacement programs. Four eligible entities that applied during the funding cycles had to remove their applications, and others have struggled to execute the contracting documents required by CWCB due to capacity limitations.
- **Bigger Properties Offer Opportunities/Need More Funding** - Due to the limited funding available for each eligible entity, for some funding recipients, it made more sense to focus on predetermined high-water-using or difficult-to-manage irrigated turf areas rather than support a local rebate or incentive program for turf removal and replacement. Removing the \$50,000 limit would allow for larger property conversions, more robust rebates, or incentive programs for entities with the capacity for increased landscape transformation.
- **Water Plan Grants Have and Continue to Support Turf Funds** - In lieu of any turf funding, Water Plan Grants have and continue to support turf funding requests. To get around funding limits in the initial Program, at least one city came in for multiple grants, including Eagle, who obtained Program funds and a Water Plan Grant (and other grant funding) to launch a large-scale initiative. Similarly, Resource Central's \$1.5 million Water Plan Grant was the largest Water Plan Grant ever issued under the *Conservation and Land Use* category.
- **Verified Water Savings Have Yet To Be Demonstrated** - Despite CWCB asking for estimated and realized water savings, the information is complex for the funding recipients to measure without adequate metering, sub-metering, and staff to compile and analyze the data. Larger property conversions with sufficient measuring capabilities, rather than scattershot rebate programs, will be able to provide more consistent and usable water savings data for CWCB to understand the impact of landscape transformation better.

- **The Majority of Interest is From Ineligible Entities** - Single-family homeowners and homeowner associations (HOAs) continue to be the main group that requests information from CWCB even as they are ineligible to receive direct funds. While participating municipalities can coordinate with HOAs (e.g., Roxborough Water and Sanitation and City and County of Broomfield) or create rebate programs, CWCB only sometimes knows who has programs if they do not come to CWCB for funding. Additionally, many of these single property requests are interested in rebate funding for artificial turf, which is ineligible for funding even for eligible entities. While new programs could help support these requests, single-family homeowners and HOAs are also inherently incentivized to save water on utility bills outside of a rebate.
- **Irrigation Updates Maximize Water Savings** - The Program did not require irrigation system updates to receive funding. As a result, not all Program-funded programs or projects incorporate irrigation system updates to ensure irrigation reductions are aligned with the requirements of the new water-wise landscapes. Replacing high-water-use vegetation with lower-water-use vegetation only equates to water savings if the irrigation application is adjusted for the new watering requirements.
- **Not all Funding Recipients Have Land Use Authority** - Of the 50 Program funding recipients, 27 (54%) have land use authority, and 23 (46%) do not. Land use and landscape codes that prevent the installation of nonfunctional turf can support the Program, but not all eligible entities have the authority to implement them. Municipalities have until January 1, 2026, to adhere to the non-functional turf installation restrictions of SB 24-005; any additional restrictions the Program included would be ahead of those requirements.
- **The Amount of Irrigated Turf is Unknown** - Without understanding how much irrigated turf and non-functional turf there is, there are inherent assumptions built into maximum water-saving estimates. As a part of program design, mapping the amount of turf within a community will allow a better understanding of how much non-functional turf is ripe for removal and how much a program needs to scale.

CWCB's Ongoing Work

In addition to running the Turf Replacement Program and providing funding through Water Plan Grants, CWCB has synchronously advanced the understanding of what water savings can be expected from wide-scale landscape transformation. In the past few years, CWCB hosted a [2022 Colorado Landscape Summit](#), funded and collaborated on two [Exploratory Turf Analyses](#), and convened and managed the [Urban Landscape Transformation Task Force](#). While all these efforts relate to Agency Action 1.7 in the Water Plan, the CWCB will conclude that action with a report and Do It Yourself Guide for turf replacement. Both aim to be completed and published by January 2025.

New Funding for Turf Replacement Funds

When the Board and General Assembly approved new funding for turf removal in 2024, it contributed to the growing body of work detailed above ([CWCB November 2023 Board Meeting](#); [2024 CWCB Projects Bill](#)). As described above, the initial funds CWCB distributed (as direct contracts under \$50,000) and the work led by Resource Central through its Water Plan Grant continue to offer adequate support to smaller dollar contracts. Larger-scale turf conversions can likely be more economically viable, yield more significant overall water savings, and contribute better data that supports ongoing analysis. For these reasons, CWCB staff has determined that there is a need to eliminate the \$50,000 request limit per applicant.

CWCB grants would have to exceed the \$50,000 cap on direct contracts to do this. As such, staff proposes that the Program, whether it continues as a standalone program (outside of Water Plan Grants) or not, shifts from a special program to a standard grant program where the Board will need to approve Program Guidelines and review/approve applications for these higher dollar projects. This programmatic shift may support and enable municipalities aiming to develop more extensive programs like Eagle County. It can also help support water providers who want to tackle more costly customer properties like HOAs or commercial, industrial, and institutional (CII) properties.

New Program Criteria

The Program (as a formal grant program) will still operate similarly to its predecessor, with the one major change being removing the \$50,000 limit. A list of all changes follows:

- Rename the funding opportunity to the Turf Replacement Grant Program.
- Eliminate the \$50,000 funding limit to allow for larger projects and more streamlined data reporting.
- Include a requirement that irrigation systems must be updated or installed for turf replacement projects to match the watering requirements of installed landscapes and help maximize water savings.
- Expand what components qualify as Program fundable designs to include turf mapping efforts.
- Clarify the match requirements to align with other CWCB grants. This means a 25% match is required for capacity, planning, and designing projects and programs and a 50% match for implementing the programs. Definitions for cash match and in-kind match were also clarified.

- State that matching requirements are waived in the case of a grant to the Ute Mountain Ute Tribe or the Southern Ute Indian Tribe.
- Clarify the review and approval process (e.g., application deadlines, board meetings, etc.).

[attach Turf Replacement Grant Program Guidelines]



Turf Replacement Grant Program Guidelines (2024)

Introduction

The Colorado General Assembly passed House Bill 22-1151, which charged the Colorado Water Conservation Board (CWCB) with incentivizing the creation of local turf removal programs. The CWCB, as the administering agency, is responsible for managing the grant process and ensuring that the awarded funds are used in accordance with the grant guidelines. The legislation provided limited funding and staff through June 30, 2025, and HB 24-1435 extended that funding through June 30, 2028, to support the management of matching funds for eligible entities interested in incentivizing the local voluntary removal of nonfunctional turf. The CWCB ran the first round of tax-payer-provided dollars through a separate pilot grant process but is now working with the CWCB Board to create an official grant program to expend newly added funding the CWCB Board and General Assembly approved for use starting on July 1, 2024. The following Turf Replacement Grant Program guidelines (guidelines) detail the requirements for obtaining grant funding. Additional information pertaining to the Turf Replacement Grant Program is available on the CWCB website at: <https://cwcb.colorado.gov/turf>

Eligible Entities

All eligible entities must submit on their own behalf and must be able to meet the contracting requirements of the State (see “Contracting” section below). Eligible entities must also submit eligible projects to be successful in their application process (see the “Eligible Projects” section). The eligible applicants who can directly apply for the State’s Turf Replacement Grant Program funds are limited to the following:

- Local Governments
- Districts (including water districts, metropolitan districts, water and sanitation districts, water districts, water utilities, and water conservancy/conservation districts)
- Nonprofit Organizations (with 501(c)(3) status and prior work in water that can support turf removal programs)
- Native American Tribes

Ineligible Entities

All other entities, including but not limited to the groups noted below, are considered ineligible to be funded directly by the state’s turf replacement program.

- Single Family Homeowners
- Homeowners' Associations or any Multifamily Property
- Commercial, Industrial, and Institutional entities (excluding those entities that fit into the categories that are allowed in the Eligible Entity List above)

Eligible Turf Replacement Projects

One or more of the following categories must be included to be considered an eligible turf replacement program.

- **Turf Removal Incentive Programs**

Projects may include design, materials, plantings, and labor required to complete landscaping and irrigation system modifications to remove turf and replace it with water-wise landscaping.

- Projects that remove high-water-use turf on site-specific locations and replace it with low-water plant materials as a community demonstration that motivates or encourages the removal and replacement of high-water-use turf. (50% match)
- Projects that remove high water use turf on one or more properties through established or new local programs to help subsidize local water users' removal and replacement. (50% match)

- **Turf Removal Program Design**

Projects may include irrigation planning and updates, xeriscape/planting design, administrative program development, mapping, or similar studies on how a turf project would be completed.

- In a preliminary design for a future turf removal project/program that is in the planning phase (25% match)
- A design for an active turf removal project/program that is being constructed (e.g., breaking ground) (50% match)

Eligible Project Examples

Examples of eligible components to advance the replacement of high-water-use turf with water-wise landscaping:

- Program or project design program materials
- Cost of planting and water-wise landscaping
- Labor for landscaping, irrigation improvements, and turf removal
- Education or marketing material
- Third-party contracting
- Expanding existing turf replacement programs
- New turf replacement initiatives
- Turf mapping to access program design

Additional Eligible Project Components

In keeping with the seven principles of xeriscape as defined in statute (Colo. Rev. Stat. § 37-60-135), all funded construction and design programs and projects must incorporate the following:

- Efforts to update irrigation systems to efficiently irrigate water-wise landscaping, including as a condition of participating in the eligible entity's local turf replacement program.

- Efforts to maintain a minimum level of replacement vegetation (targeting 50% at maturity).
- Efforts to ensure a long-term maintenance plan where possible.
- Efforts to maintain or create defensible spaces to reduce wildfire risk.

The CWCB also encourages cities and local water agencies to consider ordinances or landscape codes that prohibit installing and irrigating nonfunctional turf on all commercial, industrial, and institutional (CII) properties, as well as residential properties, where appropriate.

Ineligible Project Examples

Funding will not be offered to any applicant intending to replace turf with the following materials:

- Impermeable concrete
- Artificial turf
- Water features such as fountains
- Invasive plant species
- High-water-use turf varieties

Matching Fund Requirements

Turf Replacement Grant Program requests require that an entity have matching funds. A minimum 50% match is required for all construction projects, and a minimum 25% match is required for all plans, design, mapping, or studies. If a turf replacement program combines construction, rebates & incentives, planning, and/or studies, a minimum 50% match is required. See the Eligible Turf Replacement Projects section for more details. 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 funding as pending or secure and provide evidence of matching funds (such as an award letter). Matching funds must be secured within one year of the application date.

Types of Matching Funds

Non-CWCB matching funds may include funding from state agencies such as Great Outdoors Colorado (GOCO), Colorado Parks and Wildlife (CPW), and other state and federal agencies. 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 cannot 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 that were not used as matching funds for previous CWCB-funded turf replacement programs may be considered 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.

Waived Match for Tribes

Grant awards to the Ute Mountain Ute Tribe or the Southern Ute Indian Tribe do not require match funding for this program.

Application Process

Eligible entities must register for an account on the CWCB Portal to submit a grant application at <https://cwcb.force.com/s/registration-request>. It may take 1-3 days for the registration to be approved, and a notification of approval will be sent via email. Once the registration has been approved, applicants can log on to the CWCB Portal and apply at <https://cwcb.force.com/s/login/>. Applicants will be prompted to submit the following items to the portal:

- Answers to CWCB-prompted questions;
- Statement of Work (CWCB will provide MS Word template);
- Budget (CWCB will provide an Excel template);
- Schedule; and
- Letters of Commitment (proof of matching funds).

Turf Replacement Grant Program Guidelines

In the case that the application submission does not clarify the funding intent, CWCB reserves the right to contact the applicant and ask additional questions to learn more.

Letters of Support

Support letters are also welcomed but not required. Any letters received should be either uploaded into the CWCB Portal along with the application materials or emailed directly to CWCB staff.

Application Dates

The application deadlines for the Turf Removal Grant Program, time for which CWCB staff will post qualifying grants on the website and the CWCB Board meeting for which the grant will be reviewed for approval or denial is shown in the table below.

Application Deadline	Qualifying Grants Posted (on the CWCB website)	Board Review
October 31	December 1	January Board Meeting
February 28	April 1	May Board Meeting

Evaluation

Applications will be evaluated based on eligibility requirements and evaluation criteria. Criteria and guidelines specific to funding are outlined in this document's "Grant Eligibility" section.

Consistent with [CWCB Policy 25](#), the review and approval process will include the following steps:

- CWCB staff will determine if the required documentation has been submitted and will follow up if necessary. The application will be accepted once all documentation has been received.
- CWCB staff will evaluate the application based on the criteria described in this document.
- Applications will be reviewed and notified within 30 days of acceptance by CWCB staff.
- The application will be reviewed and presented to the appropriate CWCB decision-makers depending on the dollar value of the request.
- After CWCB Board or Director approval, CWCB staff will notify the applicant of the funding decision.
- CWCB staff will work with the applicant to submit the required contracting documents to process the grant contract.
- Upon CWCB approval of the applicant's request, funding can only be used on project components that begin after the office of the state controller

executes a grant contract. Also, see “Past Expenditures” on page five (4) for details on matching funds expenditures that occur within 9 months of the execution date of the contract or purchase order.

- Grant contracts typically take around 45 days to execute once the CWCB has received all required documents from the grantee.

Evaluation Criteria

In general, applications will be evaluated on how well the described program or project advances the program's goals and replaces turf through materials and a process that meets the state's definition of Xeriscape and the seven principles of Xeriscape (Colo. Rev. Stat. § 37-60-135). Other considerations stated in the Grant Eligibility Section starting on page one (1) that are directly required or encouraged will also be considered.

Documents Required for Contract Execution

- Scope of Work;
- Budget and Schedule;
- Insurance Certificate of Liability (Government entities excluded);
- Secretary of State - Certificate of Good Standing (Government entities excluded);
- Colorado W-9; and
- Electronic Funds Transfer (preferred).

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. 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 to the overall program funding if adequate progress is not made.

All projects or program components utilizing the Turf Replacement Grant Program funds must be completed and invoiced by June 30, 2028. Due to the Turf Replacement Grant Program's funding limitations, there will be no exceptions, and successful applicants must demonstrate plans for completion.

Reporting Requirements

Regular reporting is a requirement for this grant, as described below.

Initial and Progress Reporting

The applicant shall provide the CWCB progress reports at pre-determined and regular intervals, beginning from the date of issuance of a purchase order or the execution of a contract. The initial baseline report and annual progress reports described in the Scope of Work 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 the 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, including total square footage of removal, water savings, and verified cost components.
- Describes any obstacles encountered and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries, reports, or designs that demonstrate the successful use of the funding within the goals of the Turf Replacement Grant Program.

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 supplied template 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(s) 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.