



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members

**FROM:** Ben Wade & Dori Vigil  
Grants Section

**DATE:** November 20, 2024

**AGENDA ITEM:** Agenda Item #12 a-d, 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:

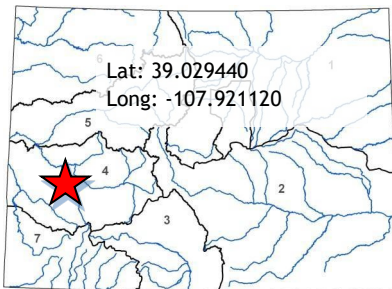
- List of completed WSRF projects;
- List of WSRF projects in progress; and
- List of WSRF projects in the contracting and procurement process.



Water Supply Reserve Fund Applications for Consideration at the November 2024 CWCB Board Meeting													Basin Only Request Match % (min 25%)	Statewide Match % (Basin min 10%/applicant Match min 15% vs Total Project	PM	Grants Portal ID
Agenda Item	Statewide Project Category	Basin	Applicant/Grantee	Name of Water Activity	Basin(s) Account Request	Statewide Account Requests	RT Recommended Amount	Non-WSRF Cash Match	Non-WSRF In-Kind Match	Non-WSRF Total Match	Statewide Match (Basin & Non-WSRF)	WSRF Total Project Costs				
Agenda Item 12a	Aging Infrastructure	Gunnison	Ryan Reservoir Company	Ryan Reservoir Outlet Rehabilitation Project	\$40,000	\$80,150.00	\$120,150.00	\$20,050.00	\$0	\$20,050.00	\$60,050.00	\$140,200.00	N/A	42.83%	Joshua	App-02492
Agenda Item 12b	Drought Resiliency	Rio Grande	Colorado Malting Company	Colorado Malting Company Expansion	\$111,500	\$638,500	\$750,000	\$360,000	\$5,000	\$365,000	\$476,500	\$1,115,000	N/A	42.74%	Nora	App-02606
Consent Agenda 2a	Aging Infrastructure	Rio Grande	Colorado Rio Grande Restoration Foundation	Rio Grande Tea Cup River & Flood Irrigation Restoration Project - Planning & Design	\$48,500	\$40,000	\$88,500	\$393,366	\$0	\$393,366	\$441,866	\$481,866	N/A	91.70%	Andrea	App-02589
Agenda Item 12c	N/A	Rio Grande	The Great Outdoors Fund	The Lobatos Bridge Outdoor Classroom & Recreation Enhancement Project	\$101,928	\$0	\$101,928	\$194,927.90	\$48,000	\$242,927.90	N/A	\$344,855.90	70.44%	N/A	Andrea	App-02499
Agenda Item 12d	Drought Resiliency	Southwest	Conservation Legacy dba Southwest Conservation Corps	Animas River Invasive Phreatophytes Removal - Stewardship & Continued Restoration Phase 3	\$22,667.00	\$134,155	\$156,822.00	\$48,500	\$21,350	\$69,850	\$92,517	\$226,672.00	N/A	40.82%	Steve	App-02555
Consent Agenda 2b	Drought Resiliency	Southwest	Town of Sawpit	Town of Sawpit Well Design	\$10,713	\$80,345	\$91,058	\$0	\$0	\$0	N/A	\$91,058	0.00%	N/A	Ben	App-02504
					\$335,308.00	\$973,150	\$1,308,458.00									

Basin	Basin Account Requests	Statewide Account Requests	Total Requests
Arkansas Basin	\$0.00	\$0.00	\$0.00
Colorado Basin	\$0.00	\$0.00	\$0.00
Gunnison Basin	\$40,000.00	\$80,150.00	\$120,150.00
Metro	\$0.00	\$0.00	\$0.00
North Platte	\$0.00	\$0.00	\$0
Rio Grande	\$261,928.00	\$678,500.00	\$940,428.00
Southwest	\$33,380.00	\$214,500.00	\$247,880.00
South Platte	\$0.00	\$0.00	\$0
Yampa/White/Green	\$0.00	\$0.00	\$0
Water Supply Reserve Fund Total Requests	\$335,308.00	\$973,150.00	\$1,308,458.00

## Water Supply Reserve Grant Application



LOCATION
<b>County:</b> Delta
<b>Drainage Basin:</b> Gunnison

DETAILS	
<b>Total Project Cost:</b>	\$160,000
<b>Total WSRF Grant Request:</b>	\$120,150
<b>Gunnison Basin Account Request:</b>	\$40,000
<b>Statewide Account Request:</b>	\$80,150
<b>Recommended Amount:</b>	\$120,150
<b>Other CWCB Funding:</b>	\$0
<b>Other Funding Amount:</b>	\$20,000
<b>Applicant Match:</b>	\$20,050
<b>Project Type:</b> Design/Construction	
<b>Water Use Type:</b> Agricultural	
<b>Statewide Category:</b> Aging Infrastructure	
<b>Measurable Result:</b> 60-acre feet existing storage preserved or enhanced; 85 linear feet of pipe/canal built or improved.	

Water Supply Reserve Funds would support the Ryan Reservoir Company in the design and installation of an outlet pipe liner of Ryan Reservoir, located on the south side of the Grand Mesa. Repairing and protecting this aging infrastructure would allow the system to return to normal operations and preserve existing storage.

The Grand Mesa Water Users Association uses Ryan Reservoir as a pressure reservoir for the Young Creek Drainage. Approximately 300 irrigated acres in the Surface Creek Valley can only receive water through the Youngs Creek Drainage. Ryan Reservoir is decreed for 60-acre feet.

During an inspection in August 2023, a sinkhole was discovered in the floor of the outlet pipe. The reservoir was restricted until the owners could correct the issue. Division of Water Resources staff recommended the reservoir owners install a cured in place pipe liner into the 18-inch outlet pipe to resolve the issues and extend the life of the outlet pipe.

The applicant applied for funding from the Colorado River District as well as contributing cash match to their project.

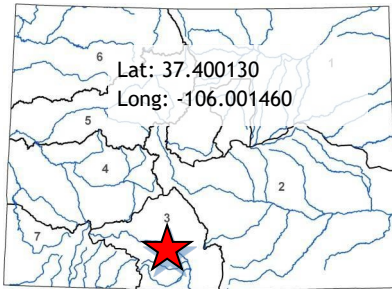
The project aligns with the Gunnison Basin Implementation Plan by repairing and upgrading aging infrastructure, maintaining existing water rights, and sustaining agriculture. Projects involving Grand Mesa reservoirs that help improve agricultural efficiencies are identified as a need in the Basin Implementation Plan.

**Issues/Additional Needs:** Prior to contracting, the applicant must secure all matching funding. No other issues or additional needs have been identified.

**Funding Recommendation:** Staff recommends approval of up to \$40,000 from the Gunnison Basin Account and up to \$80,150 from the Statewide Account. Project approval is contingent upon the applicant's abilities to resolve issues and additional needs identified by staff.



## Water Supply Reserve Grant Application



LOCATION
<b>County:</b> Alamosa
<b>Drainage Basin:</b> Rio Grande

DETAILS	
<b>Total Project Cost:</b>	\$1,115,000
<b>Total WSRF Grant Request:</b>	\$750,000
<b>Rio Grande Basin Account Request:</b>	\$111,500
<b>Statewide Account Request:</b>	\$638,500
<b>Recommended Amount:</b>	\$750,000
<b>Other CWCB Funding:</b>	\$0
<b>Other Funding Amount:</b>	\$0
<b>Applicant Match:</b>	\$365,000
<b>Project Type:</b> Construction/Implementation	
<b>Water Use Type:</b> Agricultural	
<b>Statewide Category:</b> Drought Resiliency	
<b>Measurable Result:</b> 500-acre feet of efficiency savings; 40,000 Coloradans impacted by incorporating water savings into land use planning.	

In September 2023, a Water Plan Grant was awarded by CWCB to the San Luis Valley Water Conservancy District to support the market launch of San Luis Valley Rye, a low water use, winter cover crop used in distilling and baking. Rye market-builders have learned distillers and producers need already processed rye. The Colorado Malting Company would use Water Supply Reserve Funds to purchase malting equipment that would allow them to process increased amounts of San Luis Valley Rye, further supporting the new market.

The purpose of this processing capacity expansion is to support a new market for San Luis Valley Rye within the regional, statewide, and international craft brewing and distilling industries. Having locally processed San Luis Valley Rye would have the potential benefit of being a more attractive and practical option for farmers. Growing more rye will help the future of San Luis Valley agriculture through aquifer recovery, improving soil health, and reducing erosion.

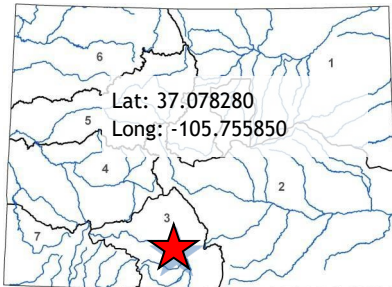
The Rio Grande Basin Roundtable supported the previous Water Plan Grant proposal. The project aligns with three of the five Basin Implementation Plan goals including: sustaining aquifer supplies for agriculture and wildlife; a vibrant and resilient economy that supports communities; and engaging and informing citizens to understand the scope and urgency of regional water issues.

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

**Funding Recommendation:** Staff recommends approval of up to \$111,500 from the Rio Grande Basin Account & up to \$638,500 from Statewide Account for a total of up to \$750,000. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.



## Water Supply Reserve Grant Application



LOCATION
<b>Counties:</b> Alamosa, Conejos, Costilla, Rio Grande
<b>Drainage Basin:</b> Rio Grande

DETAILS	
<b>Total Project Cost:</b>	\$702,673
<b>Total WSRF Grant Request:</b>	\$101,928
<b>Rio Grande Basin Account Request:</b>	\$101,928
<b>Recommended Amount:</b>	\$101,928
<b>Other CWCB Funding:</b>	\$0
<b>Other Funding Amount:</b>	\$600,745
<b>Applicant Match:</b>	\$0
<b>Project Type:</b> Construction/Implementation	
<b>Major Water Use Type:</b> Education	
<b>Measurable Result:</b> 2,640 feet of stream restored or protected; 10,000 Coloradans impacted by engagement activity.	

The Water Supply Reserve Fund would support the construction of a boat ramp near the Lobatos Bridge in the Rio Grande Natural Area, as well as support the design and production of four accompanying educational signs highlighting the Rio Grande's water use history, Rio Grande compact, the effects of climate change, and the efforts to address sustainability. The boat ramp and educational signage is part of a larger effort to expand recreation access while also providing environmental and economic benefits.

The Great Outdoors Fund is a non-profit organization whose mission is “*dedicated to expanding equitable access to the outdoors and improving recreational opportunities for the benefit and enjoyment of people of all ages, abilities and backgrounds, through a public-private partnership with the Bureau of Land Management and other public land management agencies and their partners.*”

As part of the larger project, the applicant will construct other recreation-related infrastructure that includes a restroom, an improved parking area, an interpretative trail, picnic tables, shade shelters, fire rings, fencing and bear resistant trash cans. These improvements are expected to reduce soil erosion and protect water quality. Ten additional educational signs will be produced to create an “outdoor classroom” at the site.

The project meets three of five goals of the Rio Grande Basin Implementation Plan including: healthy watersheds supporting vibrant recreational economies; and engaging and informing citizens on local and regional water issues.

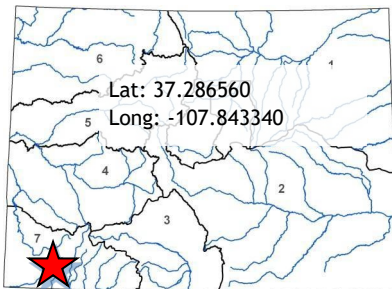
Issues/Additional Needs: No other issues or additional needs have been identified.

Funding Recommendation: Staff recommends approval of up to \$101,928 from the Rio Grande Basin Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.





## Water Supply Reserve Grant Application



LOCATION
<b>County:</b> La Plata
<b>Drainage Basin:</b> Animas & La Plata Rivers

DETAILS	
<b>Total Project Cost:</b>	\$226,672
<b>Total WSRF Grant Request:</b>	\$156,822
<b>Southwest Basin Account Request:</b>	\$22,667
<b>Statewide Account Request:</b>	\$134,155
<b>Recommended Amount:</b>	\$156,822
<b>Other CWCB Funding:</b>	\$0
<b>Other Funding Amount:</b>	\$48,500
<b>Applicant Match:</b>	\$21,350
<b>Project Type:</b> Construction/Implementation	
<b>Water Use Type:</b> Environmental	
<b>Statewide Category:</b> Drought Resiliency	
<b>Measurable Result:</b> 160 acres of restored or preserved habitat.	

Water Supply Reserve Funds would be used to for Russian Olive and Tamarisk removal in the Animas & La Plata rivers, revegetation, monitoring regrowth, and outreach to landowners and business owners about impacts and treatment of invasive species.

The applicant is a non-profit organization based in Durango and operates conservation service programs that “encourage stewardship, foster community, emphasize experiential learning, and serve a diverse population including youth, graduates, veterans, and a cross-section of ethnicities and income levels.”



The applicant will remove and treat approximately 160 acres of Russian Olive and Tamarisk over a two-year period. The applicant will provide their own crews to do the work as well as use crews from the Southwest Ancestral Lands Conservation Corps program. After the invasive species are removed, appropriate landscaping species and riparian vegetation will be planted in its place. The applicant will monitor the area annually for regrowth and will coordinate outreach efforts with the Mountain Studies Institute and educate landowners and business owners to monitor their properties and provide information on the impacts of invasive species and what treatment options are available to them.

The applicant is receiving matching funding from the Southern Ute Indian Tribe as a portion of the treatment area will be on Southern Ute tribal lands.

The project aligns with the Southwest Basins Implementation Plan by meeting the following goals: A - balancing needs and reducing conflict; E1 - supporting efforts to improve conditions of streams; and F - promoting healthy watersheds.

**Issues/Additional Needs:** While all matching funds are secured, the applicant must submit a match commitment letter of their in-kind match prior to contracting. No other issues or additional needs have been identified.

**Funding Recommendation:** Staff recommends approval of up to \$22,667 from the Southwest Basin Account and up to \$134,155 from the Statewide Account. Project approval is contingent upon the applicants’ abilities to resolve issues and additional needs identified by staff.