



COLORADO
**Colorado Water
Conservation Board**
Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, P.E., Chief, Finance Section

DATE: November 20-21, 2024 Board Meeting

AGENDA ITEM: 21b. 2025 Projects Bill
(1-3) Projects Bill Grants

Staff Recommendation

Staff recommends the Board approve funding for all of the Projects Bill Grants listed below from the CWCB Construction Fund for inclusion in the 2025 Projects Bill.

Introduction/Background

The Finance Committee reviewed the Projects Bill Grant applications on September 17, 2024. The Committee supported the projects listed below and recommended them for formal Board consideration. If approved, these Projects Bill Grants will be provided to the Projects Bill sponsors for inclusion in the 2025 CWCB Projects Bill. Data Sheets for each project are included. Presentations for each grant request will be made.

(1)	Colorado Dept of Ag - Scaling CO Soil Health	Statewide	\$500,000
(2)	Steamboat Springs - Yampa River/Walton Creek Confluence Restoration	Steamboat Springs	\$2,000,000
(3)	Republican River WCD - Retirement of Irrigated Acres in the SFFZ	Statewide	\$6,000,000
		Total	\$8,500,000

Presentations will be made by Staff/Applicants for all three items. Following the presentations a Staff Recommendation for approval of all three items together will follow.

Attachments: Data Sheets





Colorado Department of Agriculture's (CDA) Colorado Soil Health Program (CSHP) has supported 300 Colorado producers implement new soil health practices on their fields, leading to improved water retention, reduced runoff, water quality improvements, and increased producer buy-in.

CSHP is currently funded by a USDA Climate Smart Commodities Grant, expiring in Dec 2026. This funding will continue to provide technical support and financial support to producers who improve their soils. This program will align with the Sustainable Agricultural Tax Credit (passed by the state legislature in 2024; HB24-1249), but will provide the much needed technical support, upfront funding, and innovative practices.

P R O J E C T D E T A I L S	
Project Cost:	\$500,00
NRI Funding Recommended:	\$500,00
Funding Source:	Construction Fund
Project Type:	Capacity Building
Type of Grantee:	State Agency

L O C A T I O N	
Benefits:	Statewide
Water Source:	Various
Drainage Basin:	All Basins

CSHP will target:

- Improve soil health on 6,000 additional acres of crop or rangeland
- Engage 100 additional producers
- Support 5 local partner organizations in expanding soil health capacity
- Increase understanding of soil health practices and water Moving away from a flat-rate per acre incentive payment, the CSHP will distribute the CWCB Project Funds as competitive soil health grants. Producers and local agencies and organizations will be eligible, provided they demonstrate they will implement real outcomes on the ground such as improved soil health, increased water storage capacity, producer engagement, or acres managed with soil health practices.

Water Plan Implementation

This funding will further the Water Plan's goals to encourage robust agriculture across the state. Specifically, it will support the following actions.

- 2.10 Integrate soil health, water conservation, and adaptive practices that increase economic outputs with less water use. CSHP will not only provide technical and financial assistance to producers to implement soil health practice but will conduct soil testing and soil moisture monitoring on these fields. These data will be incorporated into the Soil Health Inventory (currently being developed by CSU Dept of Soil & Crop Sciences) and will be used to better understand the impact soil health has on water retention and agricultural water use.
- 2.1 Expand agricultural water conservation, education, and peer-to-peer programs that enhance innovation. This funding will focus on encouraging innovative soil health practices. There are many funding programs (NRCS, EQIP, Sustainable Ag Tax Credit) that prescribe specific management practices. CDA envisions this funding will encourage innovation as well as sharing that knowledge through field days, local partners, and outreach materials.
- 2.2 Integrate capacity building efforts to support agriculture. The subgrants funded by the CSHP will be open to local partner organizations, like conservation districts, to provide technical support, communication, demonstration projects, or other soil-health-related services to producers.
- 4.9 Create innovation challenges and innovation accelerators. The grant will act as a mini innovation challenge to producers and local partners. Grantees with great ideas will be rewarded, and will be able to track their soil outcomes with soil moisture monitoring systems and soil moisture probes.

Program Outcomes

CSHP will track the number of acres improved, the number of producers engaged, and the estimated water and carbon benefits of this funding. Any project that includes soil health practice implementation will include a pre- and post- soil test, as well as a soil moisture monitoring system to help producers better understand soil/water relationships. This data will be used to further our understanding of the impacts of soil practices on both the chemistry and the water holding capacity of the soil.



Yampa River/Walton Creek Confluence Project

City of Steamboat Springs
November 2024 Board Meeting

The Yampa River/Walton Creek Confluence Project is a multi-benefit river and wetland project to restore riparian habitat and river function over 105 acres of channel, floodplain, and riparian open space lands owned by the City of Steamboat Springs and protected by conservation easements.

The current environment of non-natural ponds is a significant source of northern pike spawning habitat. Northern pike predate sport fish, and more importantly, native threatened and endangered fish. This project will remove the spawning habitat, limiting suitable pike habitat, and restore the river function and floodplain connectivity. Additional project benefits include

improving habitat and biodiversity, water quality and temperatures, and protecting downstream community property and infrastructure from flooding and geomorphic hazards.

The complex river and wetland systems located at the confluence property and the adjacent Williams Preserve present a unique opportunity within Colorado for large-scale ecological restoration.

This project was prioritized in the Yampa River Health Assessment and Streamflow Management Plan

(2018). Sixty percent designs were completed in 2024, and the process) engaged stakeholders to develop solutions that incorporate diverse needs including recreation, aquatic habitat, and floodplain management. Stakeholders involved in the design include CWCB, Colorado Parks and Wildlife, U.S. Fish and Wildlife Service, Trout Unlimited, Colorado Cattlemen's Association, Friends of the Yampa, and Steamboat Ski Area.

The funds will support the final design-build phase and will result in project construction and an

adaptive management plan. It offers a valuable learning opportunity for implementing restoration that balances multiple objectives within the confines of present-day development.

P R O J E C T D E T A I L S	
<i>Project Cost:</i>	\$7,900,00
<i>PBGrant Recommended:</i>	\$2,000,000
<i>Funding Source:</i>	Construction Fund
<i>Project Type:</i>	River Restoration
<i>Type of Grantee:</i>	Municipality

L O C A T I O N	
<i>Benefits:</i>	Steamboat Sp/Yampa Region
<i>Water Source:</i>	Yampa River
<i>Drainage Basin:</i>	Yampa-White



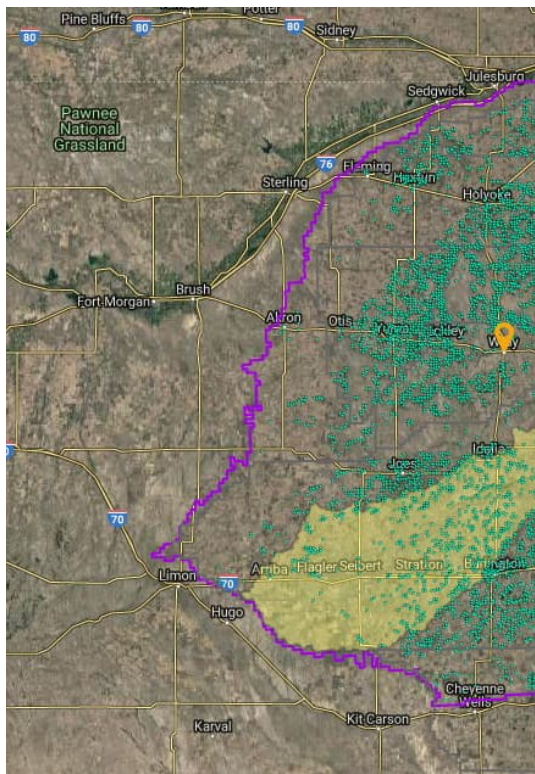


The Republican River Basin begins on the eastern plains of Colorado then flows through Northwest Kansas and Southwest Nebraska. All three states are signatories of the Republican River Compact which was ratified in 1943. Among other things, the Compact provides an apportionment of the basin's water supply between the States.

Due to increased development of groundwater in the basin, the three states entered into litigation which culminated with the Final Settlement Stipulation in 2002. This document dictated how the States would administer the water. In 2016, Colorado entered into negotiated settlements with both Nebraska and Kansas. Colorado's primary obligation under these settlements was to retire 25,000 acres of irrigated acreage in a region centering on the South Fork of the Republican River north and west of Burlington, Colorado called the "South Fork Focus Zone" (SFFZ) by the end of 2029. (SFFZ shown in yellow below.) If the 2029 deadline is not met, the State of Colorado would be declared out of compliance with the Republican River Compact.

P R O J E C T D E T A I L S	
<i>Project Cost:</i>	\$6,000,000
<i>PBGrant Recommended:</i>	\$6,000,000
<i>Funding Source:</i>	Construction Fund
<i>Project Type:</i>	Compact Compliance
<i>Type of Grantee:</i>	Conservation District

L O C A T I O N	
<i>Benefits:</i>	Statewide
<i>Water Source:</i>	South Fork Republican River
<i>Drainage Basin:</i>	Republican



The Republican River Water Conservation (RRWCD) District took the lead in meeting Colorado's obligation. Between 2016 and 2021 the RRWCD retired 3,432 acres through water conservation program contracts, however, the RRWCD needed a higher monetary incentive per acre to reach the first deadline of 10,000 acres, by 2024. In 2021, the RRWCD voted to double its Water Use Fee assessed on all irrigated acres in the basin. In 2022, the RRWCD was awarded funding from the American Rescue Plan Act through Colorado Senate Bill 22-028. This funding, along with the increase in the Water Use Fees, allowed the RRWCD to retire 13,633 irrigated acres in the SFFZ, totaling 17,065 acres permanently retired from irrigation by July 2024.

Of the 25,000 acre obligation, 7,935 acres remain to be retired. RRWCD estimates that retiring these final acres will require about \$6M in State support. Staff Recommends the Board include a \$6M Projects Bill Grant in the 2025 CWCBC Projects Bill for the Retirement of Irrigated Acres in the South Fork Focus Zone to the Republican Water Conservation District.