



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: January 27, 2025

AGENDA ITEM: Agenda Item #7 a-e, Water Supply Reserve Fund, Grant Funding
Recommendations

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.

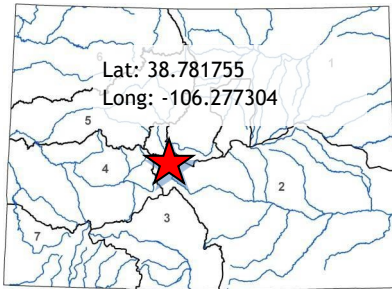


													Basin Only Request Match % (min 25%)	Statewide Match % (Basin min 10%/applicant Match min 15% vs Total Project Cost)	PM	Grants Portal ID
Agenda Item	Statewide Project Category	Basin	Applicant/Grantee	Name of Water Activity	Basin(s) Account Request	Statewide Account Requests	RT Recommended Amount	Non-WSRF Cash Match	Non-WSRF In-Kind Match	Non-WSRF Total Match	Statewide Match (Basin & Non-WSRF)	Total Project Costs				
Director's Report	N/A	Arkansas	Arkansas River Basin Water Forum	2025 Arkansas River Basin Water Forum Education and Outreach Program	\$30,261	\$0.00	\$30,261.00	\$90,784.00	\$0	\$90,784.00	N/A	\$121,045.00	75.00%	N/A	Ben	App-02608
Agenda Item - 7a	Aging Infrastructure	Arkansas	Upper Arkansas Water Conservancy District	Cottonwood Lake Dam and Spillway Replacement	\$91,701	\$458,505	\$550,206	\$292,799	\$74,005	\$366,804	\$458,505	\$917,010	N/A	50.00%	Joshua	App-02602
Agenda Item - 7b	Aging Infrastructure	Colorado	Roaring Fork Community Development Corporation	Bank Stabilization Along Three Mile Creek	\$78,956	\$592,169	\$671,125	\$118,434	\$0	\$118,434	\$197,390	\$789,559	N/A	25.00%	Steve R	App-02611
Agenda Item - 7c	Aging Infrastructure	Gunnison	Cimarron Valley River Watershed Coalition	Big Blue Ditch Diversion Rehabilitation and Piping Project - Phase 1	\$40,800	\$81,200	\$122,000	\$223,069	\$62,700	\$285,769	\$326,569	\$407,769	N/A	80.09%	Zach	App-02609
Agenda Item - 7d	Aging Infrastructure	Gunnison	City of Grand Junction	Juniata Enlarged Ditch Piping/Lining	\$32,000	\$68,000	\$100,000	\$220,000	\$0	\$220,000	\$252,000	\$320,000	N/A	78.75%	Joshua	App-02598
Agenda Item - 7e	Drought Resiliency	Rio Grande	Conejos Water Conservancy District	Aquifer Recharge & Recovery Study	\$42,750	\$137,250	\$180,000	\$105,000.00	\$0	\$105,000.00	\$147,750	\$285,000.00	N/A	51.84%	Matt	App-02623
Consent Agenda 2a	Aging Infrastructure	Rio Grande	San Luis Valley Canal	San Luis Valley Canal Improvement Project: Phase 2	\$9,514	\$61,841	\$71,355	\$23,785.00	\$0	\$23,785.00	\$33,299	\$95,140.00	N/A	35.00%	Joshua	App-02633
					\$325,982.00	\$1,398,965	\$1,724,947.00									

Basin	Basin Account Requests	Statewide Account Requests	Total Requests
Arkansas Basin	\$121,962.00	\$458,505.00	\$580,467.00
Colorado Basin	\$78,956.00	\$592,169.00	\$671,125.00
Gunnison Basin	\$72,800.00	\$149,200.00	\$222,000.00
Metro	\$0.00	\$0.00	\$0.00
North Platte	\$0.00	\$0.00	\$0
Rio Grande	\$52,264.00	\$199,091.00	\$251,355.00
Southwest	\$0.00	\$0.00	\$0.00
South Platte	\$0.00	\$0.00	\$0
Yampa/White/Green	\$0.00	\$0.00	\$0
Water Supply Reserve Fund Total Requests	\$325,982.00	\$1,398,965.00	\$1,724,947.00



Water Supply Reserve Grant Application



LOCATION
County: Chaffee
Drainage Basin: Arkansas

DETAILS	
Total Project Cost:	\$917,010
Total WSRF Grant Request:	\$550,206
Arkansas Basin Account Request:	\$91,701
Statewide Account Request:	\$458,505
Recommended Amount:	\$550,206
Other CWCB Funding:	\$0
Other Funding Amount:	\$220,082
Applicant Match:	\$146,722
Project Type: Construction/Implementation	
Water Use Type: Municipal	
Statewide Category: Aging Infrastructure	
Measurable Result: 63 acre-feet of new annual water supplies developed or conserved; and 73,000 Coloradans impacted by engagement activity.	

Cottonwood Lake is a reservoir located 11 miles southwest of the Town of Buena Vista and managed by the Upper Arkansas Water Conservancy District (UAWCD) through a special use permit under the U.S. Forest Service (USFS). The existing dam, spillway, and outlet structures at the reservoir have multiple structural and operational deficiencies. UAWCD has completed a hydrology analysis and the initial designs for the new dam, spillway, and outlet structures.

A Water Supply Reserve Fund grant will support the final design and construction of the new dam, spillway, and outlet structures, improving operational effectiveness and drought resiliency. The new design includes three control structures, allowing the reservoir to be lowered to its natural level which will increase the releasable storage by 63.6 acre-feet per year.

The applicant is contributing \$146,722 in match and receiving \$220,082 from their project partner, the Town of Buena Vista.

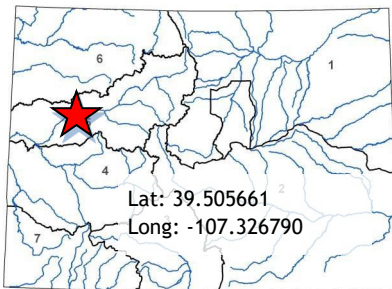
The project supports the goals of the Arkansas Basin Implementation Plan by:

- 1) Increasing storage and reliability for Municipal & Industrial water users and augmentation.
- 2) Increasing water supply to protect water rights on Cottonwood Creek.

Funding Recommendation: Staff recommends approval of up to \$91,701 from the Arkansas Basin Account and up to \$458,505 from the Statewide Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.



Water Supply Reserve Grant Application



LOCATION
County: Garfield
Drainage Basin: Colorado

DETAILS	
Total Project Cost:	\$789,559
Total WSRF Grant Request:	\$671,125
Colorado Basin Account Request:	\$78,956
Statewide Account Request:	\$592,169
Recommended Amount:	\$671,125
Other CWCB Funding:	\$0
Other Funding Amount:	\$80,912
Applicant Match:	\$37,522
Project Type: Construction/Implementation	
Water Use Type: Environmental	
Statewide Category: Aging Infrastructure	
Measurable Result: 1 acre foot of new storage created; 581 feet of stream restored or protected; 11 acres of restored or preserved habitat; 100 Coloradans impacted by incorporating water saving actions into land use planning.	

The Roaring Fork Community Development Corporation (RFCDC) is an equitable housing nonprofit that is actively preserving the 3-Mile Mobile Home Park, located southwest of Glenwood Springs in a rural area in unincorporated Garfield County.

The mobile home park property straddles Three Mile Creek and is also located in a Wildfire and Wildland Urban Interface and can be subject to heightened risks of floods and wildfires, as identified in Garfield County hazard maps. These risks were evident early in the RFCDC's ownership of 3-Mile Park, when a flooding event in the Three Mile Creek caused partial damage to the vehicular bridge, waterlines, and sewer systems within the park. If left alone the flooding and sedimentation from this event have the potential to impact the water quality in Three Mile Creek and the Roaring Fork River and to cause structural damage to the park.

Per WSRF grant guidelines, Aging Infrastructure can be defined as "Construction projects that relate to green infrastructure, in-channel or similar repairs, enhancements or support for existing natural infrastructure may also be considered aging infrastructure." The RFCDC would use grant funds to purchase materials for the bank stabilization to help mitigate impacts of potential future flood events. Grant funds will also be used for permitting and design, and to conduct a hydrological study to stabilize the streambank.

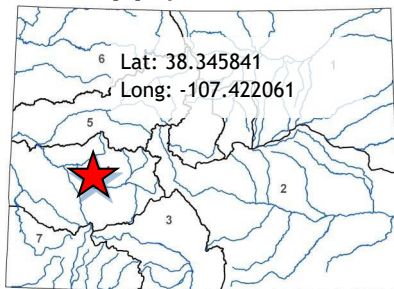
Issues/Additional Needs: While the RFCDC's project description and justification mentions stream restoration work, the submitted budget does not include line items to complete restoration work, only bank stabilization. Prior to contracting, CWCB staff requests the following:

- The applicant works with the CWCB to modify the scope of work to accurately reflect the budget.
- If stream restoration is indeed included by the applicant, staff has the opportunity to review and provide feedback on the 30% and 60% designs.
- The applicant must provide match commitment letters.

Funding Recommendation: Staff recommends approval of up to \$78,956 from the Colorado Basin Account and up to \$592,169 from the Statewide Account for a total of \$671,125. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.



Water Supply Reserve Grant Application



LOCATION
County: Gunnison
Drainage Basin: Gunnison

DETAILS	
Total Project Cost:	\$407,769
Total WSRF Grant Request:	\$122,000
<i>Gunnison Basin Account Request:</i>	\$40,800
<i>Statewide Account Request:</i>	\$81,200
Recommended Amount:	\$122,000
<i>Other CWCB Funding:</i>	\$0
<i>Other Funding Amount:</i>	\$285,769
<i>Applicant Match:</i>	\$0
<i>Project Type: Design & Construction</i>	
<i>Water Use Type: Agricultural</i>	
<i>Statewide Category: Aging Infrastructure</i>	
<i>Measurable Result: 500 feet of pipe or canal built or improved; 50 acre-feet of efficiency savings per year; 229,500 Coloradans impacted by engagement activity.</i>	

The open, unlined Big Blue Ditch diverts approximately 7,100 acre-feet of water annually from Big Blue Creek in Gunnison County to irrigate approximately 1,900 acres of hay meadows and livestock grazing land. The Big Blue Ditch Company has existing infrastructure in the upper reaches of the ditch, where there have been multiple recent landslides.

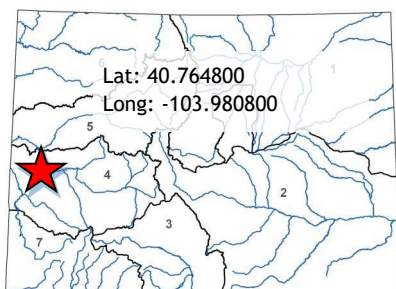
The entire Big Blue Ditch Diversion Rehabilitation and Piping Project will pipe approximately 9,700 feet of the ditch and construct a new headgate upstream of the existing gate, in an area with lower landslide risks. Water Supply Reserve Funds will support the first phase of the project in which the applicant will install a pipeline for the first 500 feet of the ditch and construct a new headgate further upstream from the existing headgate where landslides are less likely. Phase I is expected to achieve 50 acre-feet of water savings from reduced seepage and once all phases have been completed, 930 acre-feet of water will be saved from reduced seepage. The ditch company also expects an annual reduction in sediment into the Big Blue Creek drainage of 334 cubic yards once the entire project is complete.

The applicant has secured their match for the first phase. The Big Blue Ditch Company is contributing \$224,536, and the Colorado River District is providing \$61,233.

The project aligns with the Gunnison Basin Implementation Plan goals to repair or upgrade aging infrastructure, maintain existing water rights, and sustain agriculture in the Gunnison Basin.

Funding Recommendation: Staff recommends approval of up to \$40,800 from the Gunnison Basin Account and up to \$81,200 from the Statewide Account for a total of \$122,000. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.

Water Supply Reserve Grant Application



LOCATION
County: Mesa
Drainage Basin: Gunnison

DETAILS	
Total Project Cost:	\$320,000
Total WSRF Grant Request:	\$100,000
<i>Gunnison Basin Account Request:</i>	\$32,000
<i>Statewide Account Request:</i>	\$68,000
Recommended Amount:	\$100,000
<i>Other CWCB Funding:</i>	\$0
<i>Other Funding Amount:</i>	\$180,000
<i>Applicant Match:</i>	\$40,000
<i>Project Type: Design/Engineering</i>	
<i>Water Use Type: Agricultural</i>	
<i>Statewide Category: Aging Infrastructure</i>	
<i>Measurable Result: 12,144 feet of pipe built or improved; 1,420-acre feet efficiency savings; 30,000 Coloradans impacted by incorporating water-saving actions into land use planning.</i>	

The City of Grand Junction diverts water from Kannah Creek through the Juniata Enlarged Ditch for municipal and agricultural users. The existing ditch infrastructure is old and inefficient and can no longer operate at full conveyance capacity. With climate change and an increasing population, the City of Grand Junction is faced with a projected gap between supply and demand by 2039 and is looking to modernize the Juniata Enlarged Ditch to help close the gap.

A Water Supply Reserve Fund (WSRF) grant will support the final planning and design for piping and lining the Juniata Enlarged Ditch. Once completed, the improvements to the ditch will restore it to full conveyance capacity and yield approximately 1420 acre-feet in supply through reduced water loss (510 for municipal and 910 for agriculture).

The scope includes initial data gathering and surveying, as well as an developing an alternatives analysis to evaluate hydraulics for diverse pipe types and sizes, shotcrete lining, and potential alignment changes to identify the most cost-efficient design. Following the alternatives analysis, the project would develop final design construction plans, a revegetation plan, a basis of design document, and construction cost estimates. WSRF grant funds will also be used to conduct permitting research to determine the necessary construction permits needed to complete the project.

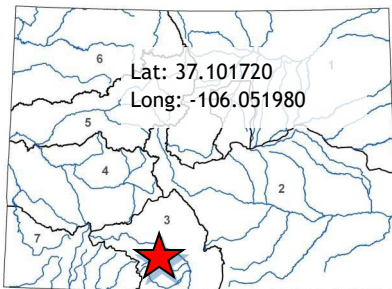
The City is contributing \$40,000 in match for the project and has also secured \$160,000 from the Bureau of Reclamation. The City is applying to the Colorado River District for \$20,000.

The project aligns with the Gunnison Basin Implementation Plan goals by repairing and upgrading aging infrastructure, maintaining existing water rights, benefiting municipal raw water supplies, and sustaining agriculture.

Issues/Additional Needs: Prior to contracting, the City needs to secure all matching funds.

Funding Recommendation: Staff recommends approval of up to \$32,000 from the Gunnison Basin Account and up to \$68,000 from the Statewide Account. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.

Water Supply Reserve Grant Application



LOCATION
County: Conejos
Drainage Basin: Rio Grande

DETAILS	
Total Project Cost:	\$285,000
Total WSRF Grant Request:	\$180,000
Rio Grande Basin Account Request:	\$42,750
Statewide Account Request:	\$137,250
Recommended Amount:	\$180,000
Other CWCB Funding:	\$0
Other Funding Amount:	\$0
Applicant Match:	\$105,000
Project Type: Study	
Water Use Type: Agricultural	
Statewide Category: Drought Resiliency	
Measurable Result: The applicant did not list any measurable results.	

A grant from the Water Supply Reserve Fund will support the Conejos Water Conservancy District (CWCD) in conducting a study to determine the feasibility and efficiency of an aquifer recharge and recovery program in response to dwindling groundwater levels in the San Luis Valley.

This study will assess the area within the CWCD's boundaries that the Rio Grande Decision Support System (RGDSS) has identified as where water recharges into the confined aquifer and where managed recharge of water to the confined aquifer will most likely be successful. As part of the study, the CWCD will evaluate the historical use of surface water rights that can be used for recharge to the confined aquifer, including working with existing well owners to gauge interest in participating in the project if it moves forward. The study will also assess legal requirements for the project (no grant funds will be used for legal fees related to water rights). Finally, CWCD will create a preliminary plan of operations for the project.

The applicant is providing \$105,000 in match.

The project meets three out of the five Rio Grande Basin Implementation Plan goals including:

- 1) Adminstrating water that is adaptive, flexible, and creative while complying with state statutes and the doctrine of prior appropriation and fully utilizing Colorado's compact entitlements under the Rio Grande and Costilla Creek compacts.
- 2) Maintaining sustainable aquifer supplies for farmers, ranchers, towns and wildlife habitat.
- 3) Maintaining vibrant and resilient agriculture, recreation, municipal, and industrial economies that support thriving communities.

Funding Recommendation: Staff recommends approval of up to \$42,750 from the Rio Grande Basin Account and up to \$137,250 from the Statewide Account for a total of \$180,000. Project approval is contingent upon the applicants' abilities to resolve issues and additional needs identified by staff.