



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

1313 Sherman Street, Room 718
Denver, CO 80203
P (303) 866-3441
F (303) 866-4474

Jared Polis, Governor
Dan Gibbs, DNR Executive Director
Lauren Ris, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Cole Bedford, P.E., Chief Operating Officer
Michael Regan, Budget and Policy Analyst
Chris Sturm, Watershed Program Director

DATE: January 27-28, 2025 Board Meeting

AGENDA ITEM: 12. American Rescue Plan Act (ARPA) Update

Introduction

This is an informational item to update the Board on the status of ARPA funds administered by CWCB. A central provision of ARPA is that all funds must be obligated by December 31, 2024 or revert back to the Federal government. All \$75.0 million of the ARPA funds administered by CWCB were successfully obligated by this deadline. This memorandum describes the work undertaken prior to the obligation deadline and the plans for expending the funds before December 31, 2026.

Background

The American Rescue Plan Act, or ARPA, is a Federal stimulus package signed into law in March 2021 in response to the economic impacts of the COVID-19 pandemic. ARPA includes a wide array of provisions totaling \$1.9 trillion. Among these, ARPA earmarked \$350 billion as State and Local Fiscal Recovery Funds (SLFRF) for distribution to the State, local, territorial, and tribal governments. Colorado received \$3.8 billion of these earmarked dollars.

Most of the ARPA funds provided to Colorado were appropriated by the General Assembly during the 2022 legislative session. Affordable housing, behavioral health, workforce development, and other State priorities were supported by bills passed during the session. The CWCB was a strong advocate for allocating ARPA funds to water initiatives. Two bills appropriated ARPA funds for water initiatives to be administered by CWCB: [SB22-028](#), Groundwater Compact Compliance Fund and [HB22-1379](#), Wildfire Prevention Watershed Restoration Funding.

SB22-028 appropriated \$60.0 million to support the retirement of irrigated acreage in the Rio Grande basin and the Republican River basin. HB22-1379 appropriated \$5.0 million to support the Federal Technical Assistance Program and \$10.0 million for the Wildfire Ready Watersheds Program. The combined total of these appropriations was \$75.0 million as shown in Table 1.

TABLE 1: ARPA-Funded Programs Administered By CWCB

Program	Amount (million \$)
Retirement of Irrigated Acreage	\$60.0
Federal Technical Assistance Program	\$5.0
Wildfire Ready Watersheds Program	\$10.0
TOTAL	\$75.0

Retirement of Irrigated Acreage

The \$60.0 million of ARPA funds appropriated by SB22-028 were dedicated to the retirement of irrigated acreage in the two regions of Colorado with the most pressing groundwater sustainability challenges: the Rio Grande basin and the Republican River basin. To help administer the distribution of these funds and to identify appropriate lands for retirement, CWCB contracted with the Rio Grande Water Conservation District (RGWCD) and the Republican River Water Conservation District (RRWCD) in November 2022. Each District received \$29.92 million for their respective retirement programs. Approximately \$160,000 or 0.3% of the appropriation was reserved for DNR and CWCB administrative costs. Both Districts' programs pay willing landowners to cease groundwater pumping for irrigation on agreed upon acreage, into perpetuity.

Rio Grande Basin: Groundwater pumping is critical to sustaining agricultural production in the Rio Grande basin, however, drought and over-use have led to the decline of the basin's aquifers. As a result, the Colorado General Assembly passed aquifer sustainability requirements in 2004 and the Colorado Division of Water Resources subsequently established rules governing groundwater withdrawals. The rules state, in part, that basin water users must achieve sustainable aquifer levels by 2030 or potentially face State-imposed pumping restrictions. In order to reduce pumping in the basin, after contracting for ARPA funds the [RGWCD Retirement Program](#) was established in June 2023. Since then, the RGWCD has retired 8,240 irrigated acres.

Republican River Basin: Use of the water in the Republican River basin among Colorado, Kansas, and Nebraska is governed by the Republican River Compact. Colorado signed a resolution in 2016 agreeing to retire 10,000 acres of irrigated acreage by the end of 2024 and an additional 15,000 acres by the end of 2029 in a southern portion of the basin called the South Fork Focus Zone. The [RRWCD Retirement Program](#) was already in place when ARPA funds became available in 2022, but the new funding gave the program renewed momentum. The RRWCD has retired 17,121 acres; 15,141 of which has utilized ARPA funding.

In December 2024, [Nebraska and Kansas formally acknowledged](#) that the first 10,000 acre retirement milestone had been met. Additionally, \$6.0 million in State funding will be included in the 2025 Water Projects Bill, which, if passed, will support the retirement of the final 7,879 acres required to bring the total retirement to 25,000 acres.

Current Status: As of January 2025, the combined acreage retired utilizing ARPA funds is 23,381 acres. Assuming that 1.5 acre-feet of groundwater is saved for each retired acre, this translates to 35,072 acre-feet of conserved groundwater each year as shown in Table 2. These amounts will increase some as the RGWCD completes its final landowner contracts during 2025.

TABLE 2: Status of Irrigated Acreage Retirement

Basin	Total Acres Retired Utilizing ARPA Funds	Acre-Feet of Groundwater Conserved per Year ¹
Rio Grande	8,240	12,361
Republican River	15,141	22,711
TOTAL	23,381	35,072

¹Assuming 1.5 Acre-Feet/Acre

Federal Technical Assistance Program

HB22-1379 appropriated \$5.0 million in ARPA funding to establish the Federal Technical Assistance Grant Program. This program helps entities review the many federal funding opportunities available for water projects, and then prepare and submit federal grant applications. Support can also be provided to enhance projects prior to application with feasibility studies, planning, and partial design/engineering so that they stand out in the highly competitive federal grant processes.

The Federal Technical Assistance Program consists of two sub-programs, each with a slightly different approach to helping water management organizations expand their grant-development capacity.

Local Capacity Program: Many water managers have longstanding relationships with engineering firms, grant writers, and other regional service providers that can help expand capacity and provide the necessary expertise to submit highly competitive federal aid requests. Local Capacity grants are direct awards to grantees to draw on these relationships to develop project designs, review permitting and other requirements, and identify, prepare, and submit complex federal grant applications.

Technical Assistance Program: These are awards to grantees who want to utilize a contractor hired by the CWCB rather than hiring individual contractors of their own. CWCB's contractor, Abt Associates, can provide a wide variety of water project services including researching federal grant opportunities, project design, partial engineering, cost estimation, and federal application development/grant writing.

Current Status: As of January 2025, the Federal Technical Assistance Program has awarded 30 grants. Grantees have submitted 24 grant applications to a wide variety of federal programs requesting about \$89.6 million in federal funds. Six grantees have received federal grants totaling \$36.3 million in federal funding, with at least eight applications still pending. Many grantees are still developing materials including feasibility studies, engineering, modeling, etc that will support future federal aid applications. Additional federal grant applications will be made by Program grantees by December 2026. Additionally, grant application materials developed with support from a Federal Technical Assistance grant can be used for multiple federal grant programs, and also for future funding opportunities. Many federal aid programs release annual or bi-annual Notices of Funding Opportunity (NOFOs). Federal Technical Assistance grantees who may have already submitted one or more federal grant applications will be able to use engineering/design, grant narrative, and other materials for additional federal funding opportunities for several years to come.

Two major federal funding awards already issued are a [\\$9.6 million grant](#) from the Natural Resource Conservation Service to the Ute Mountain Ute Tribe and a [\\$24.9 million grant](#) from the Bureau of Reclamation for projects in the San Luis Valley. Table 3 shows the current status of Federal funding requests supported by the Federal Technical Assistance Program.

TABLE 3: Status of Federal Funding Requests (Million \$)

ARPA Funds Invested	Federal Funds Requested ¹	Federal Funds Awarded ¹
\$5.0	\$89.6	\$36.3

¹As of January 16, 2025

Wildfire Ready Watersheds Program

House Bill 22-1379 appropriated \$10.0 million in ARPA funding for watershed restoration and flood mitigation grants to address stream channels and riparian areas susceptible to post-wildfire hazards. The funding was made available to applicants via a Special Release of the Colorado Watershed Restoration Program (CWRP). CWRP has been an active program within the CWCB for seventeen years. The CWRP grant guidelines were modified to address the language in the bill. The guidelines were approved by the Board in September 2022. As of October 16, 2024, all funds have been awarded.

There are 20 Wildfire Ready Action Plans (WRAPs) in progress in different watersheds around the State. Details about the location and grantees are below. There are also ten active projects in progress to mitigate the impacts of post-wildfire hazards. The projects are located in the South Platte, Arkansas, Colorado, and Gunnison River Basins.

South Platte Basin:

- Upper Poudre - Fort Collins Utilities
- Poudre River Watershed - Coalition for the Poudre River Watershed
- Big Thompson River Watershed - Peaks to People Water Fund
- St. Vrain River Watershed- Watershed Center
- Boulder Creek Watershed - Boulder Watershed Collective
- North Fork Upper South Platte Watershed - Jefferson Conservation District

Arkansas Basin:

- North Slope Pikes Peak - Colorado Springs Utilities
- Twin Lakes Watersheds - Arkansas River Watershed Collaborative

Colorado Basin:

- Upper Colorado River Watershed - Grand County
- Middle Colorado River Watershed - Middle Colorado Watershed Council
- Roaring Fork Watershed - Roaring Fork Valley Wildfire Collaborative
- Blue River Watershed - Blue River Watershed Group

Gunnison Basin:

- Grand Mesa Watersheds - American Rivers
- North Fork Gunnison and Smith Fork Watersheds - West Slope Conservation Center
- Coal Creek and Slate River Watersheds - Town of Crested Butte

Yampa Basin:

- Bear River Watershed - Upper Yampa Water Conservancy District
- Upper Yampa above Steamboat - Colorado Cattlemen's Agricultural Land Trust
- Upper Yampa Watersheds - National Forest Foundation

Southwest Basin:

- Dolores River Watershed - Dolores Watersheds Collaborative
- Mancos River Watershed - Mancos Conservation District

Going Forward

The ARPA-funded projects and programs continuing under the Irrigated Acreage Retirement effort, the Federal Technical Assistance Program, and the Wildfire Ready Watersheds Program will be ongoing for the next two years. During that time, additional irrigated acres will be retired in the Rio Grande and Republican basins, additional federal grant applications will be submitted and awarded, and additional wildfire ready action plans will be completed. The next major deadline is December 31, 2026 when all ARPA funds must be expended.