



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Craig Godbout
Program Manager - Water Supply Reserve Fund Grant Program
Water Supply Planning Section

DATE: November 6, 2019

AGENDA ITEM: 17 (a-c)

Staff Recommendation - Action Items: WSRF Grant Requests 17 (a-c):

A summary of staff's recommendation for each WSRF application is provided in the first component of the attached table. If applicable, the table also includes a breakdown of match amounts for applications that include a request for Statewide Account WSRF funds.

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, which are primarily outlined in the Criteria and Guidelines (C&G).
- 2) Applications are reviewed to verify that the water activity meets the eligibility requirements in Section 39-29-108 (III) C.R.S. (C&G, Part 2) and the threshold



criteria, which are based on the requirements of Section 39-29-108 (III) C.R.S., and two sections of the Water for the 21st Century Act (House Bill 1177); Section 37-75-102 and Section 37-75-104(2)(c) (C&G, Part 3). Staff also verifies that the applicant was an eligible entity to receive funding (C&G, Part 2).

- 3) 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.



COLORADO WATER CONSERVATION BOARD
Water Supply Reserve Fund - Balance Summary
NOVEMBER 2019

11/1/2019

Fund Appropriation and Receipts				
Fiscal Year	Legislative Appropriation	Funds Received	Statewide Account	Basin Account
2006/2007	\$10,000,000	\$10,000,000	\$5,500,000	\$4,500,000
2007/2008	\$6,000,000	\$6,000,000	\$4,200,000	\$1,800,000
2008/2009	\$10,000,000	\$7,000,000	\$4,300,000	\$2,700,000
2009/2010	\$5,775,000	\$5,775,000	\$4,215,750	\$1,559,250
2010/2011	\$6,000,000	\$6,000,000	\$4,380,000	\$1,620,000
2011/2012	\$7,000,000	\$7,000,000	\$4,732,000	\$2,268,000
2012/2013	\$10,000,000	\$7,157,724	\$4,580,943	\$2,576,781
2013/2014	\$10,000,000	\$10,091,639	\$6,458,649	\$3,632,990
2014/2015	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2015/2016	\$10,000,000	\$9,103,590	\$5,826,298	\$3,277,292
2016/2017	\$0	\$0	\$0	\$0
2017/2018	\$10,000,000	\$1,455,776	\$931,697	\$524,079
2017/2018 CF	\$0	\$7,000,000	\$4,480,000	\$2,520,000
2018/2019 CF	\$0	\$3,544,884	\$2,268,726	\$1,276,158
2019/2020	\$10,000,000	\$4,000,000	\$2,560,000	\$1,440,000
Interest	N/A	\$2,857,935	\$1,829,078	\$0
Prior Years Interest Adjustment			\$1,028,856	\$0
2014/2015 Interest	N/A	\$ 240,216	\$240,216	\$0
2015/2016 Interest	N/A	\$ 219,458	\$219,458	\$0
2016/2017 Interest	N/A	\$ 223,936	\$223,936	\$0
2017/2018 Interest	N/A	\$ 376,467	\$376,467	\$0
2018/2019 Interest	N/A	\$ 431,589	\$431,589	\$0
2019/2020 Interest	N/A	\$ 116,795	\$116,795	\$0
TOTAL	\$104,775,000	\$98,595,008	\$65,300,457	\$33,294,551

Note: The WSRF is a Severance Tax "Tier II" program & CF Funding with 40% of funds distributed on July 1, 30% on January 1, and the final 30% on April 1.

In FY 2008/2009 the final 30% installment of \$3,000,000 was not received due to the State's budgetary shortfall.

In January 2012 interest for the program from its inception to date was credited directly to the Statewide Account.

Interest from January 2012 on is regularly calculated by the Treasury and credited to the Statewide Account.

Fund Distribution					
Basin	Approved Basin Grants	Total Basin Funds	Basin Account Balance	Approved State Grants	Statewide Account Balance
Arkansas	\$3,392,174	\$3,699,395	\$307,221	\$11,844,935	
Colorado*	\$3,526,579	\$3,699,395	\$172,816	\$6,446,389	
Southwest *	\$3,313,647	\$3,699,395	\$385,748	\$8,161,644	
Gunnison *	\$3,369,657	\$3,699,395	\$329,738	\$6,530,052	
Metro *	\$3,019,801	\$3,699,395	\$679,594	\$7,461,732	
North Platte	\$2,951,785	\$3,699,395	\$747,610	\$842,844	
Rio Grande*	\$3,479,443	\$3,699,395	\$219,952	\$12,209,690	
South Platte *	\$3,169,780	\$3,699,395	\$529,615	\$7,639,612	
Yampa/White	\$2,938,051	\$3,699,395	\$761,344	\$847,969	
TOTAL	\$29,160,917	\$33,294,551	\$4,133,638	\$61,984,867	\$3,315,590
TOTAL APPROVED GRANTS				\$91,145,784	

Note: Only includes grants approved by CWCB

* Comments reflect adjustments to balances

Water Supply Reserve Fund Applications for Consideration at the November 21, 2019 CWCB Board Meeting

Agenda Item	Basin	Applicant/Grantee	Name of Water Activity	Basin(s) Account Request	Statewide Account Requests	Total Request	Non-WSRF Cash Match	Non-WSRF In-Kind Match	Non-WSRF Total Match	Statewide Match (Basin & Non-WSRF)	Total Project Costs	Staff Recommendations	PM
17(a)	Yampa/White/Green	Yampatika Outdoor Awareness Association	Yamp White Green Youth Water Education	\$99,053	\$0	\$99,053	\$27,500	\$0	\$27,500	na	\$126,553	Staff recommends approval of up to \$99,053 from the Yampa/White/Green Basin Account	Ben Wade
17(b)	Colorado	Roy and Shawna Fazzi	Fazzi Washout Pipeline	\$20,000	\$0	\$20,000	\$143,700	\$0	\$143,700	na	\$163,700	Staff recommends approval of up to \$20,000 from the Colorado Basin Account	Megan Holcomb
17(c)	Colorado	Missouri Heights Mountain Meadow Ditch Company	Irrigation Pipeline Final Phase B2	\$40,000	\$0	\$40,000	\$335,300	\$69,000	\$404,300	na	\$444,300	Staff recommends approval of up to \$40,000 from the Colorado Basin Account	Cole Bedford
				\$159,053	\$0	\$159,053							

Basin	Basin Account Requests	Statewide Account Requests	Total Requests	Current Basin Account Balances	Remaining Basin Account Balances (if all requests approved)	Current Statewide Account Balance	Remaining Statewide Account Balance (if all requests approved)
Arkansas Basin	\$0	\$0	\$0	\$307,221	\$307,221		
Colorado Basin	\$60,000	\$0	\$60,000	\$172,816	\$112,816		
Gunnsion Basin	\$0	\$0	\$0	\$329,738	\$329,738		
Metro	\$0	\$0	\$0	\$679,594	\$679,594		
North Platte	\$0	\$0	\$0	\$747,610	\$747,610	\$3,263,240	\$3,263,240
Rio Grande	\$0	\$0	\$0	\$219,952	\$219,952		
Southwest	\$0	\$0	\$0	\$385,748	\$385,748		
South Platte	\$0	\$0	\$0	\$529,615	\$529,615		
Yampa/White/Green	\$99,053	\$0	\$99,053	\$761,344	\$662,291		
Water Supply Reserve Fund Total Requests	\$159,053	\$0	\$159,053	\$4,133,638	\$3,974,585		

Water Supply Reserve Fund – Grant and Loan Program
Water Activity Summary Sheet
November 20-21, 2019
Agenda Item 17(a)

Applicant & Grantee: Yampatika Outdoor Awareness Association
Water Activity Name: Yampa White Green Youth Water Education
Water Activity Purpose: Education & Outreach/Implementation
County: Moffat, Routt & Rio Blanco
Drainage Basin: Yampa
Water Source: na
Amount Requested: \$99,053 Yampa/White/Green Basin Account
Matching Funds: Applicant & 3rd Party Match (cash) = \$27,500
• 28% of the Basin Account request (meets 25% min)

Staff Recommendation:

Staff recommends approval of up to \$99,053 from the Yampa/White/Green Basin Account to help fund the project titled: Yampa White Green Youth Water Education.

Water Activity Summary: WSRF grant funds, if approved, will assist Yampatika to develop and implement a K-12 focused youth water education program in the Yampa/White/Green Basin. This project will include the development of curriculum based on Next Generation Science Standards state standards, and a comprehensive evaluation system that measures both quantitative and qualitative success. Youth water education programs will focus on increasing general water education, which includes highlighting the importance of water in the Basin to all relevant stakeholders including agriculture, municipalities, recreation, businesses, community members, and the environment. These education programs will be a valuable opportunity to highlight Colorado Water Plan, the Basin Implementation Plan, and the critical role of the YWG Basin Roundtable to address the consumptive and non-consumptive water needs across the Basin. Evaluation components will be created for the programs to ensure short and long-term success of water education programs. Both students and teachers will be surveyed to ensure successful implementation. The WSRF funds will be used over a three-year period.

Discussion: This effort will assist the Yampa/White/Green Basin Roundtable meet the following goals as called out in their Education Action Plan, such as: Raise public awareness of YWG Roundtable activities (PEPO Goal 1); and Raise public awareness of the YWG BIP and Colorado’s Water Plan (PEPO Goal 2), while also supporting Section 9.5: Outreach, Education and Public Engagement as highlighted in Colorado’s Water Plan.

Issues/Additional Needs: The applicant must submit several letters of matching commitment (see *Funding Summary/Matching Funds* section below) prior to entering into a contract with the state, otherwise no issues or additional needs have been identified.

Eligibility Requirements: The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match Requirements.

Evaluation Criteria: This activity has undergone review and evaluation and staff has determined that it satisfies the Evaluation Criteria. Please refer to Basin Roundtable Chair’s Recommendation Letter and the WSRF Grant Application for applicant’s detailed response.

Funding Summary/Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>	<u>Status</u>
Upper Yampa Water Conservancy District	\$15,000	\$0	\$0	Pending
City of Steamboat Springs	\$5,000	\$0	\$5,000	Pending
Mt Werner Water & Sanitation District	\$2,500	\$0	\$2,500	Pending
<u>Mountain Valley Bank</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$5,000</u>	<u>Secured</u>
Sub-total	\$27,500	\$0	\$27,500	
WSRF Gunnison Basin Account	\$99,053	\$0	\$99,053	
Total Project Costs	\$126,553	\$0	\$126,553	

CWCB Project Manager: Ben Wade

**Water Supply Reserve Fund
Water Activity Summary Sheet
Nov 20, 2019
Agenda Item 17(b)**

Applicant & Grantee: Roy and Shawna Fazzi
Water Activity Name: Fazzi Washout Pipeline
Water Activity Purpose: Agricultural Implementation
County: Garfield
Drainage Basin: Colorado
Water Source: Divide Creek
Amount Requested: \$20,000 Colorado Basin Account
Matching Funds: Applicant Match (cash & in-kind) = \$228,700

- 1143% of the Basin Account request (meets 25% min)
- 92% of the total project cost of \$248,700

Staff Recommendation:

Staff recommends approval of up to \$20,000 from the Colorado Basin Account to help fund the project titled: Fazzi Washout Pipeline.

Water Activity Summary: This proposed washout pipeline project lies in the Dry Hollow Basin, where irrigation water is diverted out of Divide Creek, roughly five miles upstream from the Colorado River. The section of irrigation ditch known as “the Fazzi washout” has been of great concern for numerous years. Completing this pipeline project would mitigate the erosion disruptions the land is currently suffering while helping to restore wildlife habitat and wild game migration routes. The proposed pipeline consists of four segments: one concrete inlet box, one concrete outlet box, and two pipeline installations.

The New Multa Trina Ditch Company is approximately 21 miles long and serves irrigation water to roughly 2500 agricultural use acres with 62 shareholders. New Multa Trina Ditch Company will be facilitating pipeline construction in conjunction with the grantee to improve the water delivery system. The ditch is now being influenced by additional users due to ranch subdivision with agricultural usage changing to smaller acreages growing hay, grazing livestock, and producing other conventional agricultural crops. Roy and Shawna Fazzi are ranchers and water shareholders of the New Multa Trina Ditch company. The project is located entirely on the Fazzi’s property within the ditch company’s easement.

Discussion: As described in the Colorado Basin Roundtable (BRT) chair’s recommendation letter, this project was unanimously supported and recommended for approval by the roundtable on October 3, 2019. This grant request took a \$105,000 reduction from the original request due to the Colorado BRT WSRF balance. The project comports with the Colorado BRT Basin Implementation Plan and Colorado Water Plan theme of sustaining agriculture through the repair of essential existing irrigation infrastructure.

Issues/Additional Needs: None

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Summary / Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
New Multi Trina Ditch Company	\$40,000	\$0	\$40,000
NRCS- Environmental Quality Incentives Program	\$93,700	\$0	\$93,700
NRCS- Engineering and Installation Assistance	\$28,000	\$0	\$28,000
New Multi Trina Ditch Company Local Bank Loan	\$67,000	\$0	\$67,000
Subtotals	\$228,700	\$0	\$228,700
WSRF Colorado Basin Account	\$20,000	n/a	\$20,000
Totals	\$248,700	\$0	\$248,700

CWCB Project Manager: Megan Holcomb

**Water Supply Reserve Fund
Water Activity Summary Sheet
November 21, 2019
Agenda Item 17(c)**

Applicant & Grantee: Missouri Heights Mountain Meadow Irrigation Company
Water Activity Name: Irrigation Pipeline Final Phase B2
Water Activity Purpose: Agricultural Implementation
County: Eagle and Garfield
Drainage Basin: Colorado
Water Source: Cattle Creek
Amount Requested: \$40,000 Colorado Basin Account
Matching Funds: Applicant Match (cash & in-kind) = \$404,300

- 1010% of the Basin Account request (meets 25% min)
- 77% of the total project cost of \$522,300

Staff Recommendation:

Staff recommends approval of up to \$40,000 from the Colorado Basin Account to help fund the project titled: Irrigation Pipeline Final Phase B2.

Water Activity Summary: WSRF grant funds, if approved, will help the Missouri Heights Mountain Meadow Ditch Company in their final phase (Phase B2) of ditch efficiency improvements. This phase will line 5,520 feet of canal with 2,295 feet of 36-inch plastic pipe and 3,225 feet of 42-inch plastic pipe to reduce ditch water loss, erosion, and salinity. This project will include three inlet/outlet concrete structures. Water for the Missouri Heights Mountain Meadow Irrigation Company ditch is supplied by a direct diversion from Cattle Creek delivered through an open ditch to Spring Park Reservoir in the Roaring Fork Valley. The ditch company owns about 6 miles of ditch starting at the outlet of the Spring Park Reservoir, which irrigates about 2000 acres for cattle ranching, hobby farms, nursery trees, sod production, and hay production.

Discussion: As described in the Colorado Basin Roundtable (BRT) chair's recommendation letter, this project was unanimously supported and recommended for approval by the roundtable on September 23, 2019. This was a reduction from the original \$140,000 request due to the balance of the Colorado BRT WSRF account. This project supports the Colorado Basin Implementation Plan and Colorado Water Plan goals of sustaining agriculture by repairing aging infrastructure and improving delivery system efficiencies.

Issues/Additional Needs: None

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Summary / Matching Funds:

<u>Funding Source</u>	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
Missouri Heights – Mountain Meadows Irrigation Company	\$62,300	\$9,000	\$71,000
Mount Sopris Conservation District	\$0	\$15,000	\$15,000
NRCS – Environmental Quality Incentives Program	\$273,000	\$45,000	\$318,000
CWCB Loan (active)	\$78,000	n/a	\$78,000
Subtotals	\$413,300	\$69,000	\$482,300
WSRF Colorado Basin Account	\$40,000	n/a	\$40,000
Totals	\$453,300	\$69,000	\$522,300

CWCB Project Manager: Cole Bedford