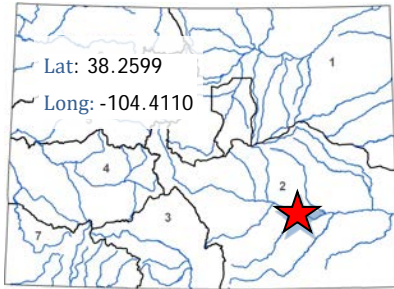


Water Plan Grant Application



L O C A T I O N	
County/COUNTIES:	Pueblo
Drainage Basin:	Arkansas

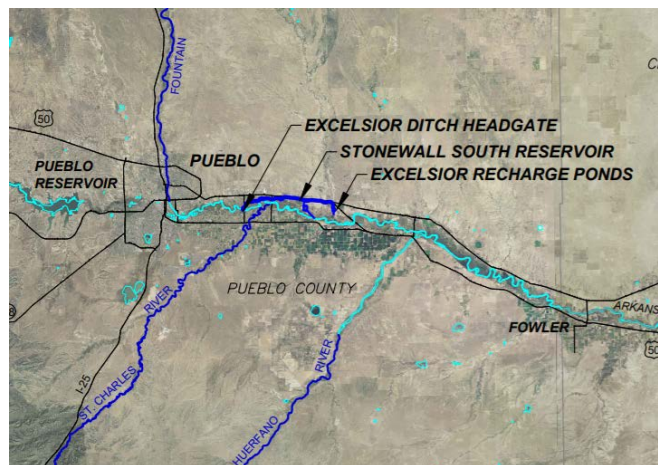
D E T A I L S	
Total Project Cost:	\$3,500,000
Water Plan Grant Request:	\$500,000
Recommended Amount:	\$500,000
Other CWCB Funding:	\$3,000,000 (pending CWCB Loan)
Other Funding Amount:	\$0
Applicant Match:	\$3,000,000 (pending CWCB Loan)
Project Type(s):	Other
Project Category(Categories):	Storage & Supply
Measurable Result:	1000 AF of augmentation storage

The Arkansas Groundwater Users Association (AGUA) is a non-profit organization established in 1995 to provide members (well users) with augmentation water, through lease or purchase, in order to replace out of priority depletions on the Arkansas River and Fountain Creek. AGUA relies heavily on its only owned water supply of changed Excelsior Ditch direct flow water rights, which are relatively junior and hence subject to extremes of yield, and on annual or short-term water leases for its well augmentation replacement supplies. To manage its resources AGUA utilizes leased storage in Pueblo Reservoir and its Excelsior Ditch Recharge Ponds; however, those facilities are inadequate for AGUA to achieve its full water rights yield.

This project is the purchase of 1,000 AF of storage in South Reservoir, part of the Stonewall Springs Reservoir Complex. South Reservoir can be filled by the Excelsior Ditch above it, and has already been mined, lined, tested for leakage, and approved for storage by the State Engineer’s Office (SEO). A July 2019 final letter report prepared by the SEO determined the in-ground slurry wall had been constructed to the SEO’s standards for reservoir liners. Currently, Stonewall Springs Quarry, LLC, Stonewall Water, LLC (collectively referred to as Stonewall) and AGUA have decreed storage rights for augmentation purposes in the complex. Inlet and outlet facilities are to be provided by Stonewall and the Triview Metropolitan District, and operation of the reservoir will be by Stonewall Springs Reservoir Company, recently formed in May 2020.

This project aligns with the Water Plan’s measurable goal of attaining 400,000 AF of water storage by 2050 by providing new storage in the Arkansas basin.

Funding Recommendation: Staff is recommending approval of the full request of \$500,000 from the Storage and Supply category. This is approximately 14% of the project costs. Approval is conditioned upon appraisal of the reservoir space and securing all matching funding.





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Colorado Water Conservation Board

Water Plan Grant Application

Instructions

To receive funding for a Water Plan Grant, applicant must demonstrate how the project, activity, or process (collectively referred to as “project”) funded by the CWCB will help meet the measurable objectives and critical actions in the Water Plan. Grant guidelines are available on the CWCB website.

If you have questions, please contact CWCB at (303) 866-3441 or email the following staff to assist you with applications in the following areas:

- | | |
|-------------------------------------|----------------------------|
| Water Storage Projects | Anna.Mauss@state.co.us |
| Conservation, Land Use Planning | Kevin.Reidy@state.co.us |
| Engagement & Innovation Activities | Ben.Wade@state.co.us |
| Agricultural Projects | Alexander.Funk@state.co.us |
| Environmental & Recreation Projects | Chris.Sturm@state.co.us |

FINAL SUBMISSION: Submit all application materials in one email to waterplan.grants@state.co.us in the original file formats [Application (word); Statement of Work (word); Budget/Schedule (excel)]. Please do not combine documents. In the subject line, please include the funding category and name of the project.

Water Project Summary

Name of Applicant	Arkansas Groundwater Users Association	
Name of Water Project	AGUA Reservoir Purchase	
CWP Grant Request Amount		\$ 500,000
Other Funding Sources <u>CWCB Loan</u>		\$ 3,000,000
Other Funding Sources _____		\$
Other Funding Sources _____		\$
Applicant Funding Contribution		\$ 500,000
Total Project Cost		\$3,500,000



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Applicant & Grantee Information	
Name of Grantee(s)	Arkansas Groundwater Users Association
Mailing Address	27050 E Hwy 50 (Unit B2) Pueblo, Colorado 81006
FEIN	84-1268595
Organization Contact	Kevin Niles
Position/Title	General Manager
Email	niles.kevinw@gmail.com
Phone	(719) 948-2150
Grant Management Contact	Kevin Niles
Position/Title	General Manager
Email	niles.kevinw@gmail.com
Phone	(719) 948-2150
Name of Applicant (if different than grantee)	
Mailing Address	
Position/Title	
Email	
Phone	
Description of Grantee/Applicant	
Provide a brief description of the grantee's organization (100 words or less).	
<p>The Arkansas Groundwater Users Association is a non-profit organization established by a group of well users. A board elected by the shareholders operates the association along with its General Manager. Its goals are to provide augmentation water, through lease or purchase, to replace out of priority depletions, tributary to the Arkansas, to usable stateline flows and senior surface water rights on the Arkansas and on Fountain Creek. AGUA has 175 shareholders and AGUA owns 1,792 shares of the Excelsior Ditch.</p>	



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Type of Eligible Entity (check one)	
	Public (Government): Municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
X	Public (Districts): Authorities, Title 32/special districts (conservancy, conservation, and irrigation districts), and water activity enterprises.
	Private Incorporated: Mutual ditch companies, homeowners associations, corporations.
	Private Individuals, Partnerships, and Sole Proprietors: Private parties may be eligible for funding.
	Non-governmental organizations (NGO): Organization that is not part of the government and is non-profit in nature.
	Covered Entity: As defined in Section 37-60-126 Colorado Revised Statutes .

Type of Water Project (check all that apply)	
	Study
	Construction
	Identified Projects and Processes (IPP)
X	Other

Category of Water Project (check the primary category that applies and include relevant tasks)	
X	Water Storage - Projects that facilitate the development of additional storage, artificial aquifer recharge, and dredging existing reservoirs to restore the reservoirs' full decreed capacity and Multi-beneficial projects and those projects identified in basin implementation plans to address the water supply and demand gap.. <i>Applicable Exhibit A Task(s):</i>
	Conservation and Land Use Planning - Activities and projects that implement long-term strategies for conservation, land use, and drought planning. <i>Applicable Exhibit A Task(s):</i>
	Engagement & Innovation - Activities and projects that support water education, outreach, and innovation efforts. Please fill out the Supplemental Application on the website. <i>Applicable Exhibit A Task(s):</i>
	Agricultural - Projects that provide technical assistance and improve agricultural efficiency. <i>Applicable Exhibit A Task(s):</i>
	Environmental & Recreation - Projects that promote watershed health, environmental health, and recreation. <i>Applicable Exhibit A Task(s):</i>
	Other
	Explain:



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Location of Water Project	
Please provide the general county and coordinates of the proposed project below in decimal degrees . The Applicant shall also provide, in Exhibit C, a site map if applicable.	
County/Countries	Pueblo
Latitude	
Longitude	

Water Project Overview
<p>Please provide a summary of the proposed water project (200 words or less). Include a description of the project and what the CWP Grant funding will be used for specifically (e.g., studies, permitting process, construction). Provide a description of the water supply source to be utilized or the water body affected by the project, where applicable. Include details such as acres under irrigation, types of crops irrigated, number of residential and commercial taps, length of ditch improvements, length of pipe installed, and area of habitat improvements, where applicable. If this project addresses multiple purposes or spans multiple basins, please explain.</p> <p>The Applicant shall also provide, in Exhibit A, a detailed Statement of Work, Budget, Other Funding Sources/Amounts and Schedule.</p>
<p>AGUA misses out on the opportunity to utilize their entire decreed water right every water season because of a lack of storage. AGUA utilizes Pueblo Reservoir and recharge ponds established with their organization primarily through the Excelsior Ditch, however a 2,000 to 4,000 acre feet loss each year due to the lack of storage to hold water for shareholders. With the help of this grant, AGUA will be able to purchase additional storage to use for augmentation or irrigation during the water season. AGUA's 175 shareholders utilize water across the system with traditional row crops, fruits, and vegetables from Excelsior Ditch. This increased storage will add 1,000 acre feet of storage to the organization. A separate reservoir company will be established to aid in the administration of the reservoir account and will purchase 1,000 shares at \$3,500 per share. This purchase will allow AGUA to be more efficient in water savings and will ensure that water is not left to run downstream unused by the shareholders.</p>



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Measurable Results	
To catalog measurable results achieved with the CWP Grant funds, please provide any of the following values as applicable:	
1,000 ac/f.	New Storage Created (acre-feet)
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive
	Existing Storage Preserved or Enhanced (acre-feet)
	Length of Stream Restored or Protected (linear feet)
	Efficiency Savings (indicate acre-feet/year OR dollars/year)
	Area of Restored or Preserved Habitat (acres)
	Quantity of Water Shared through Alternative Transfer Mechanisms
	Number of Coloradans Impacted by Incorporating Water-Saving Actions into Land Use Planning
	Number of Coloradans Impacted by Engagement Activity
	Other Explain:

Water Project Justification
<p>Provide a description of how this water project supports the goals of Colorado's Water Plan, the most recent Statewide Water Supply Initiative, and the applicable Roundtable Basin Implementation Plan and Education Action Plan. The Applicant is required to reference specific needs, goals, themes, or Identified Projects and Processes (IPPs), including citations (e.g. document, chapters, sections, or page numbers).</p> <p>The proposed water project shall be evaluated based upon how well the proposal conforms to Colorado's Water Plan Framework for State of Colorado Support for a Water Project (CWP, Section 9.4, pp. 9-43 to 9-44;)</p> <p>Efficient use of water is incredibly important, especially in an over-appropriated basin. Every drop counts and is even more important in dry/drought years, and AGUA is forced to send 2,000 to 4,000 acre feet of water downstream each year because of a lack of adequate storage. "Absent reservoir storage, the peak runoff season is followed by a precipitous drop in water levels in the late growing season, a time when water availability is critical (Arkansas Basin BIP)." AGUA's existing storage is not enough to hold water needed to sustain the shareholders' decreed water rights. "Increasing available storage is seen as fundamental to all solutions to the Arkansas Basin's needs" (Arkansas Basin BIP) as this increases efficiency, conservation, and proper use for shareholders. "Colorado's Water Plan encourages the use of grassroots efforts to identify and implement projects and methods to meet community and agricultural water needs throughout Colorado, and to achieve the following statewide long-term goals: to use water efficiently to reduce overall future water needs and to meet community water needs during periods of drought" (CWP 6.5). "The [Arkansas] basin roundtable identified additional storage as a primary goal of the implementation plan. Roundtable members believe preservation of existing storage is critical to continuing to meet the basin's supply needs for all uses, along with development of new storage. New storage can include reoperation of existing structures in need of repair, along with underground storage" (ASR) (CWP 6.5.1).</p>



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Related Studies

Please provide a list of any related studies, including if the water project is complementary to or assists in the implementation of other CWCB programs.

N/A

Previous CWCB Grants, Loans or Other Funding

List all previous or current CWCB grants (including WSRF) awarded to both the Applicant and Grantee. Include: 1) Applicant name; 2) Water activity name; 3) Approving RT(s); 4) CWCB board meeting date; 5) Contract number or purchase order; 6) Percentage of other CWCB funding for your overall project.

None.

Taxpayer Bill of Rights

The Taxpayer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect your application.

Not applicable.



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Submittal Checklist	
	I acknowledge the Grantee will be able to contract with CWCB using the Standard Contract .
Exhibit A	
X	Statement of Work ⁽¹⁾
X	Budget & Schedule ⁽¹⁾
X	Engineer's statement of probable cost (projects over \$100,000)
X	Letters of Matching and/or Pending 3 rd Party Commitments ⁽¹⁾
Exhibit C	
X	Map (if applicable) ⁽¹⁾
X	Photos/Drawings/Reports
X	Letters of Support (Optional)
	Certificate of Insurance (General, Auto, & Workers' Comp.) ⁽²⁾
	Certificate of Good Standing with Colorado Secretary of State ⁽²⁾
	W-9 ⁽²⁾
	Independent Contractor Form ⁽²⁾ (If applicant is individual, not company/organization)
Engagement & Innovation Grant Applicants ONLY	
	Engagement & Innovation Supplemental Application ⁽¹⁾

(1) Required with application.

(2) Required for contracting. While optional at the time of this application, submission can expedite contracting upon CWCB Board approval.

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ENGAGEMENT & INNOVATION GRANT FUND SUPPLEMENTAL APPLICATION

Introduction & Purpose

Colorado’s Water Plan calls for an outreach, education, public engagement, and innovation grant fund in Chapter 9.5.

The overall goal of the Engagement & Innovation Grant Fund is to enhance Colorado’s water communication, outreach, education, and public engagement efforts; advance Colorado’s water supply planning process; and support a statewide water innovation ecosystem.

The grant fund aims to engage the public to promote well-informed community discourse regarding balanced water solutions statewide. The grant fund aims to support water innovation in Colorado. The grant fund prioritizes measuring and evaluating the success of programs, projects, and initiatives. The grant fund prioritizes efforts designed using research, data, and best practices. The grant fund prioritizes a commitment to collaboration and community engagement. The grant fund will support local and statewide efforts.

The grant fund is divided into two tracks: engagement and innovation. The Engagement Track supports education, outreach, communication, and public participation efforts related to water. The Innovation Track supports efforts that advance the water innovation ecosystem in Colorado.

Application Questions

*The grant fund request is referred to as “project” in this application.

Overview (answer for both tracks)
In a few sentences, what is the overall goal of this project? How does it achieve the stated purpose of this grant fund (above)?
Who is/are the target audience(s)? How will you reach them? How will you involve the community?
Describe how the project is collaborative or engages a diverse group of stakeholders. Who are the partners in the project? Do you have other funding partners or sources?



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Overview (answer for both tracks)
Describe how you plan to measure and evaluate the success and impact of the project?
What research, evidence, and data support your project?
Describe potential short- and long-term challenges with this project.

Please fill out the applicable questions for either the Engagement Track or Innovation Track, unless your project contains elements in both tracks. If a question does not relate to your project, just leave it blank. Please answer each question that relates to your project. Please reference the relevant documents and use chapters and page numbers (Colorado’s Water Plan, Basin Implementation Plan, PEPO Education Action Plan, etc.).

Engagement Track
Describe how the project achieves the education, outreach, and public engagement measurable objective set forth in Colorado’s Water Plan to “significantly improve the level of public awareness and engagement regarding water issues statewide by 2020, as determined by water awareness surveys.”
Describe how the project achieves the other measurable objectives and critical goals and actions laid out in Colorado’s Water Plan around the supply and demand gap; conservation; land use; agriculture; storage; watershed health, environment, and recreation; funding; and additional.
Describe how the project achieves the education, outreach, and public engagement goals set forth in the applicable Basin Implementation Plan(s).



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Describe how the project achieves the basin roundtable's PEPO Education Action Plans.

Innovation Track
Describe how the project enhances water innovation efforts and supports a water innovation ecosystem in Colorado.
Describe how the project engages/leverages Colorado's innovation community to help solve our state's water challenges.
Describe how the project helps advance or develop a solution to a water need identified through TAP-IN and other water innovation challenges. What is the problem/need/challenge?
Describe how this project impacts current or emerging trends; technologies; clusters, sectors, or groups in water innovation.



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Colorado Water Conservation Board
Water Plan Grant - Exhibit A

Statement Of Work

Date:	December 1, 2019
Name of Grantee:	Arkansas Groundwater Users Association
Name of Water Project:	AGUA Reservoir Purchase
Funding Source:	Water Plan- Storage

Water Project Overview:

AGUA misses out on the opportunity to utilize their entire decreed water right every water season because of a lack of storage. AGUA utilizes Pueblo Reservoir and recharge ponds established with their organization primarily through the Excelsior Ditch, however a 2,000 to 4,000 acre feet loss each year due to the lack of storage to hold water for shareholders. With the help of this grant, AGUA will be able to purchase additional storage to use for augmentation or irrigation during the water season. AGUA's 175 shareholders utilize water across the system with traditional row crops, fruits, and vegetables from Bessemer and Excelsior Ditches. This increased storage will add 1,000 acre feet of storage to the organization. A separate reservoir company will be established to aid in the administration of the reservoir and AGUA will purchase 1,000 shares in the company at \$3,500 per share. Purchasing the shares in reservoir company will allow for storage of 1,000 acre-feet upon closing. The reservoir is located on the Excelsior Ditch enabling water to be conveyed as soon as storage is needed. This purchase will allow AGUA to be more efficient in operations resulting in water savings and will ensure that water is not left to run downstream unused by the shareholders.

Project Objectives:

- 1. Purchase storage in the reservoir for use by AGUA to benefit their 175 shareholders.**



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Tasks
Task 1 - Purchase the Reservoir
Description of Task:
<p>With the assistance of the loan and grant, the reservoir storage can be purchased and immediately utilized to meet the needs of the Arkansas Groundwater Users Association's shareholders.</p>
Method/Procedure:
<p>Purchasing the shares in reservoir company will allow for storage of 1,000 acre-feet upon closing. The reservoir is located on the Excelsior Ditch enabling water to be conveyed as soon as storage is needed.</p>
Deliverable:
<p>A total of 1,000 acre feet of storage will be available for use by AGUA to store water that typically is released downstream due to lack of adequate storage. In addition, a new Reservoir Company is being created to operate both the storage which will include both the proposed AGUA storage and an additional 1,000 acre-feet of storage held by another user.</p>



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Budget and Schedule

This Statement of Work shall be accompanied by a combined Budget and Schedule that reflects the Tasks identified in the Statement of Work and shall be submitted to CWCB in excel format.

Reporting Requirements

Progress Reports: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of issuance of a purchase order, or the execution of a contract. The progress report shall describe the status of the tasks identified in the statement of work, including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Report: At completion of the project, the applicant shall provide the CWCB a Final Report on the applicant's letterhead that:

- Summarizes the project and how the project was completed.
- Describes any obstacles encountered, and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries of meetings and engineering reports/designs.

The CWCB will pay out the last 10% of the budget when the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

Payment

Payment will be made based on actual expenditures and must include invoices for all work completed. The request for payment must include a description of the work accomplished by task, an estimate of the percent completion for individual tasks and the entire Project in relation to the percentage of budget spent, identification of any major issues, and proposed or implemented corrective actions.

Costs incurred prior to the effective date of this contract are not reimbursable. The last 10% of the entire grant will be paid out when the final deliverable has been received. All products, data and information developed as a result of this contract must be provided to CWCB in hard copy and electronic format as part of the project documentation.

Performance Measures

Performance measures for this contract shall include the following:

(a) Performance standards and evaluation: Grantee will produce detailed deliverables for each task as specified. Grantee shall maintain receipts for all project expenses and documentation of the minimum in-kind contributions (if applicable) per the budget in Exhibit B. Per Water Plan Grant Guidelines, the CWCB will pay out the last 10% of the budget when the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

(b) Accountability: Per Water Plan Grant Guidelines full documentation of project progress must be submitted with each invoice for reimbursement. Grantee must confirm that all grant conditions have been complied with on each invoice. In addition, per Water Plan Grant Guidelines, Progress Reports must be



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Performance Measures

submitted at least once every 6 months. A Final Report must be submitted and approved before final project payment.

(c) Monitoring Requirements: Grantee is responsible for ongoing monitoring of project progress per Exhibit A. Progress shall be detailed in each invoice and in each Progress Report, as detailed above. Additional inspections or field consultations will be arranged as may be necessary.

(d) Noncompliance Resolution: Payment will be withheld if grantee is not current on all grant conditions. Flagrant disregard for grant conditions will result in a stop work order and cancellation of the Grant Agreement.



Colorado Water Conservation Board

Water Plan Grant - Exhibit B
Budget and Schedule

Prepared Date:

Name of Applicant:

Name of Water Project:

Project Start Date:

Project End Date:

Task No.	Task Description	Task Start Date	Task End Date	Grant Funding Request	Match Funding	Total
1	Purchase Reservoir	NTP	Dec-20	500,000	3,000,000	\$3,500,000
2						\$0
3						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
Total				\$500,000	\$3,000,000	\$3,500,000

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Arkansas Basin Roundtable

January 28, 2020

Via Electronic Mail: ben.wade@state.co.us

Mr. Ben Wade
Colorado Water Conservation
Board 1313 Sherman Street,
Room 721
Denver, CO 80203


Re: Water Supply Reserve Fund Grant Application: Arkansas Groundwater Users Association (AGUA) Reservoir Purchase

Dear Ben:

At its January 8, 2020 meeting, the Arkansas Basin Roundtable (ABRT) approved support of the Arkansas Groundwater Users Association Reservoir Purchase grant application for \$500,000 in Statewide Funds. This grant is to be paired with a CWCB Loan of \$3,000,000.

The Colorado Water Plan encourages identifying and implementing projects and methods to meet agricultural water needs throughout Colorado by using water more efficiently. This grant will allow AGUA to purchase water storage. New water storage for agricultural water users has been identified in both the State Water Plan and Arkansas Basin Implementation Plan as a key tool to meet future water needs of the State and Basin. The ABRT supports this application by consensus and there were no dissenting views.

If you have any questions or concerns, please feel free to contact me either by telephone, 719-668- 8028, or by email, mshea@csu.org.



Mark Shea
Chair

Copy via email: Applicant; Abby Ortega, Needs Assessment Chair