



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Lauren Ris, Deputy Director

Anna Mauss, Chief Operating Officer

DATE: March 10-11, 2021

AGENDA ITEM: 12. Grant Recommendations

Background:

This agenda item includes one action item and a proposal for creating more consistency across CWCB's grant programs. The proposal includes a number of suggestions for making some structural changes to grant programs and adopting common criteria and guidelines (draft attached) that could be applied to the agency's primary grant programs. Staff anticipates taking any feedback from the Board on this proposal and coming back to the Board in May with an action item.

The January 2021 and November 2020 Board meetings included agenda items with background information and comparisons of all of CWCB's grant programs.

Staff Recommendation:

Staff recommends striking the Water Plan Grant match requirement language from statute through this year's Projects Bill in order to give the Board more flexibility in determining the appropriate match requirements for the program. The current language in statute is:

37-60-106.5(6)(c) Grant money must amount to no more than fifty percent of the total cost of an individual project, and the total money from all board funding sources must not exceed seventy-five percent of the total cost of an individual project.

Proposal for Discussion:

A. Structural Changes

To reduce redundancy across CWCB grant programs, better leverage new revenue sources (e.g. sports betting revenue), and simplify the process for grant managers and grant applicants, CWCB Staff proposes considering the following:

1. Incorporate the ATM grant program into the WPG Storage and Supply category and set funding aside specifically for ATM projects consistent with past appropriations. To accomplish this, staff would modify the WPG Storage and Supply criteria and guidelines for Board approval in advance of the next WPG round to specifically allow funding for ATM projects. When CWCB's budget stabilizes, staff will recommend a funding appropriation in the annual Projects Bill to at least match historical



proportional appropriations to the ATM program and the Storage and Supply category (\$3.5 million per year).

2. Include the majority of the Watershed Restoration Grant Program under the WPG program and rename the Environment and Recreation funding category “Watershed Restoration and Recreation.” When CWCB’s budget stabilizes, future recommended funding appropriations in the annual Projects Bill would be consistent with past proportional appropriations to the Watershed Restoration Grant Program and WPG Environment and Recreation category (\$5.5 million per year). Staff recommends continuing the Watershed Restoration Program in the Watershed and Flood Protection Section as the recipient of special funding for urgent post-fire and flooding grant needs and any technical watershed contracting work.
3. Incorporate the Water Efficiency Grant Program into the WPG Conservation and Land Use and Outreach and Innovation categories. To accomplish this, Staff would revise the WPG criteria and guidelines for Board approval in advance of the next WPG round to ensure the Water Efficiency Grant categories (planning and implementation) are eligible. CWCB staff would also work with DNR budget and policy staff to evaluate any future legislative changes that may be needed to affect severance tax distributions.
4. Starting in FY 2022, reinstate two grant rounds per fiscal year with application Deadlines of July 1 and December 1, 2022. This will align the WPG approval deadlines with WSRF and a new anticipated funding appropriation from Sports Betting tax revenue. Two application deadlines will also better enable the program to keep pace with applicant funding needs.
5. When severance tax funding is available again, repurpose Operational Account Grants for agency operations, including funding for contracting and research needs.

B. Criteria and Guidelines

In order to improve consistency across CWCB’s grant programs and to simplify the application process for grantees Staff recommends the following:

1. Adopt common elements of criteria and guidelines (draft attached) for primary grant programs, including WPG, Watershed Restoration Grants, Water Efficiency Grants, ATM grants, and Technical Assistance for Federal Cost Share Grants (TAFC). These criteria and guidelines would include consistent requirements for matching funds (including in-kind), general evaluation criteria, and grant administration requirements. Each grant program would then have program specific criteria and guidelines related to the focus of that grant program. If programs are combined as outlined in the Structural Changes section above, the common criteria and guidelines will still apply but will be limited to WPG and TAFC, and will provide scaffolding for any newly added grant programs.



2. In the common criteria and guidelines, require a 50% match for construction projects and a 25% match for plans or studies and include scoring criteria to give greater weight to projects with a higher match. Data from the Watershed Restoration Program shows that this match requirement by project type is consistent with applications submitted to the program. WPG match data indicates that applications for both types of projects are submitted with a significantly higher outside match.
3. Adopt a Board grant approval policy of placing grant recommendations above \$100,000 on the consent agenda and Director approved recommendations below \$100,000 with a summary included in the Director's Report. Grant requests above \$100,000 will be compiled by basin and sent to the respective Board members prior to the staff review process.
4. Develop a common template with consistent format and branding for each program specific criteria and guidelines and schedule Board review and approval of each program specific criteria and guidelines on a rotating basis every three years.

