



Last Updated: July 2017

## 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:

Supply and Demand Gap Projects  
Water Storage Projects  
Conservation, Land Use Planning  
Engagement & Innovation Activities  
Agricultural Projects  
Environmental & Recreation Projects

Gregory.Johnson@state.co.us  
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Applicants interested in submitting an ‘Intent to Apply’ in the future are encouraged to check here ☐ and fill in all sections with the best information available at the time. Exhibits may be excluded.

This “Intent to Apply” will help CWCB prioritize Projects that are not ready for fully completed Water Plan Grant Application due to the initial timeframe and required deadlines.

**FINAL SUBMISSION:** Submit all application materials to [waterplan.grants@state.co.us](mailto:waterplan.grants@state.co.us) in the original file formats [Application (word); Statement of Work (word); Budget/Schedule (excel)]. Please do not combine documents.

#### Water Project Summary

Name of Applicant	Colorado Water Trust	
Name of Water Project	McKinley Ditch Project	
CWP Grant Request Amount		\$ 66,000
Other Funding Sources <u>Bonneville Environmental Foundation</u>		\$ 61,000
Other Funding Sources <u>Walton Family Foundation</u>		\$ 13,300
Other Funding Sources _____		\$
Applicant Funding Contribution		\$
Total Project Cost		\$ 140,300

Last Updated: July 2017

Applicant & Grantee Information	
Name of Grantee(s)	Colorado Water Trust
Mailing Address	1420 Ogden Street, Suite A2   Denver, CO 80218
FEIN	84-1606567
Organization Contact	Dana Dallavalle
Position/Title	Director of Development
Email	<a href="mailto:ddallavalle@coloradowatertrust.org">ddallavalle@coloradowatertrust.org</a>
Phone	(720) 204-3552
Grant Management Contact	Karen Wogsland
Position/Title	Director of Programs
Email	<a href="mailto:kwogsland@coloradowatertrust.org">kwogsland@coloradowatertrust.org</a>
Phone	(720) 204-5879
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>Founded in 2001, the Colorado Water Trust's mission is to restore flows to Colorado's rivers in need. We work directly with water rights owners to find ways of effectively restoring flows to dry rivers using market-based transactions. By innovating within Colorado's water law, which was originally designed to take water from rivers, we use laws to return water to rivers to keep them flowing strong. Over the past 16 years, we have returned over 6.5 billion gallons of water to nearly 400 miles of rivers and streams.</p>

Last Updated: July 2017

Type of Eligible Entity (check one)	
	<b>Public (Government):</b> 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.
	<b>Public (Districts):</b> Authorities, Title 32/special districts (conservancy, conservation, and irrigation districts), and water activity enterprises.
	<b>Private Incorporated:</b> Mutual ditch companies, homeowners associations, corporations.
	<b>Private Individuals, Partnerships, and Sole Proprietors:</b> Private parties may be eligible for funding.
X	<b>Non-governmental organizations (NGO):</b> Organization that is not part of the government and is non-profit in nature.
	<b>Covered Entity:</b> As defined in <a href="#">Section 37-60-126 Colorado Revised Statutes</a> .

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

Category of Water Project (check all that apply and include relevant tasks)	
	Supply and Demand Gap - 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>
	Water Storage - Projects that facilitate the development of additional storage, artificial aquifer recharge, and dredging existing reservoirs to restore the reservoirs' full decreed capacity. <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>



Last Updated: July 2017

X	Environmental & Recreation - Projects that promote watershed health, environmental health, and recreation. <i>Applicable Exhibit A Task(s):</i> <i>Task 1: Purchase of Additional Water</i> <i>Task 2: Negotiations</i> <i>Task 3: Final Design and Permitting</i> <i>Task 4: Construction</i> <i>Task 5: Project Management and Reporting</i>	
	Other	Explain:

### 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	Montrose and Gunnison Counties
Latitude	38.353231
Longitude	-107.48505

### Water Project Overview

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.  
The Applicant shall also provide, in Exhibit A, a detailed Statement of Work, Budget, Other Funding Sources/Amounts and Schedule.

Last Updated: July 2017

## Water Project Overview

The McKinley Ditch Project is a groundbreaking, collaborative water sharing agreement between agriculture and the environment. Under this pioneering project, historic lands will continue early season irrigation, maintaining the local agricultural heritage. Later in the summer, water will be used to restore flows to a dry section of the Little Cimarron River. In 2014, the Colorado Water Trust purchased 1.5 shares of water in the McKinley Ditch and conveyed to CWCB a permanent right to use those water rights for instream flow use under this proposed split-season operation. The CWCB Board voted unanimously to accept the offered water rights. Members commended the Water Trust for taking this novel idea from a “conversation to a concept”, and for helping the state realize the consumptive/non-consumptive partnerships envisioned by the Water Plan.

We are close to completing this Project. The final components are to design/build bypass structures at two locations on the Little Cimarron River and to purchase additional shares in the ditch. Funding from this grant will be used for final design and construction at the McKinley Ditch to manage the McKinley shares for the split-season operation and to measure and protect the water applied to instream flow use.

## Measurable Results

To catalog measurable results achieved with the CWP Grant funds, please provide any of the following values as applicable:

	New Storage Created (acre-feet)
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive
	Existing Storage Preserved or Enhanced (acre-feet)
9.2 miles	Length of Stream Restored or Protected (linear feet)
	Efficiency Savings (indicate acre-feet/year OR dollars/year)
	Area of Restored or Preserved Habitat (acres)
857.2 AF on average	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



Last Updated: July 2017

Measurable Results		
	Other	Explain:

Water Project Justification
<p>Provide a description of how this water project supports the goals of <a href="#">Colorado's Water Plan</a>, the most recent <a href="#">Statewide Water Supply Initiative</a>, and the applicable Roundtable <a href="#">Basin Implementation Plan</a> and <a href="#">Education Action Plan</a>. 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><u>Colorado's Water Plan ("CWP")</u></p> <p><i>Collaboration, innovation, and creativity.</i> This Project pioneer's collaboration and innovation by making water sharing between agriculture and environmental happen. It builds a replicable model for how to add instream flow use to a water right while continuing agricultural use; fashion market-based transactions to support split-season use; and manage land use associated with deficit irrigation and split-season operation.</p> <p><i>No-and-Low Regrets Actions.</i> This project moves the ball forward on two of the recommended No-and-Low-Regrets actions: it minimizes the transfer of statewide agricultural acres and implements projects and methods that support environmental uses. (CWP p 6-10).</p> <p><i>Agriculture Objective (CWP 10.2 and 10.3).</i> This Project helps achieve the CWP's measurable goal to share at least 50,000 acre-feet of agricultural water using voluntary alternative transfer methods. This Project will keep agricultural lands in production through a split-season operation where water is applied to the land in the early season, then put the water instream to improve and protect stream conditions.</p> <p><i>Watershed Health, Environment, and Recreation Objective (CWP 10.2 and 10.3).</i> This Project enhances environmental values, protects healthy environments, and promotes protection and restoration of water quality by enhancing flows to the impaired reaches of the Little Cimarron and Cimarron Rivers and provides habitat for aquatic species.</p> <p><i>CWCB Statewide Long-term goals.</i> This Project supports the development of multipurpose projects and methods that benefit environment and recreational water needs as well as water needs for agriculture (CWP p. 6-41).</p> <p><i>Environment and Recreation Projects and Methods.</i> This Project supports the development of multipurpose projects and methods that benefit environment and recreational water needs as well as water needs for agriculture (CPW p 6-157) through a split-season arrangement; and understands, protects, maintains, and improves conditions of streams to promote self-sustaining fisheries, functional riparian habitat to promote long-term sustainability and resiliency (CWP 6-157). Through our stewardship program, we will grow our understanding of the benefits of a split-season water sharing agreement, improve stream conditions, and protect the water through a water court transfer to instream use.</p>



Last Updated: July 2017

## Water Project Justification

### Gunnison Basin Implementation Plan ("GBIP")

*Goal 2 – discourage conversion of productive agricultural land to all other uses within the context of private property rights (GBIP p. 4).* The Project maintains agricultural use on property that was subdivided and on the market for development.

*Goal 5 – quantify and protect environmental and recreational water uses (GBIP p.9)* The Project will improve instream flows through a water right acquisition (GBIP p.34).

*Goal 7 – describe and encourage the beneficial relationship between agriculture and recreational water uses (GBIP p.4).* The Project is a multipurpose win-win project described on page 81 of the GBIP. The Project will provide flow and ecological benefits to the Little Cimarron River and the Cimarron River while keeping agricultural lands in production.

The project also provides a multipurpose opportunity and enhances streamflows on one of the environmental target stream reaches, the Cimarron River (GBIP p.7).

This Project may also provide a source of new augmentation water through the remarketing of the historical consumptive use (GBIP goals 2, 3, 4, 6, p. 183)

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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.

## 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;

Last Updated: July 2017

Previous CWCB Grants, Loans or Other Funding
5) Contract number or purchase order; 6) Percentage of other CWCB funding for your overall project.
<p>Colorado Water Trust, White River-Highland Ditch Diversion &amp; Headgate Redesign, Order Number POGG1 PDAA 2015000000000000164, Yampa Basin Roundtable</p> <p>Colorado Water Trust, Josh Ames Diversion De-Construction on the Poudre and Sterling Pond Restoration, 9/24/13, Contract No. C150532</p> <p>Colorado Water Trust, Master Task Order Contract, Routing #CMS#55958, 57%</p> <p>Colorado Water Trust, Improve the Existing Diversion Dam on the CCC Ditch with the Installation of a Newbury Riffle, P.O. # OE PDA 10000000099</p> <p>Colorado Water Trust, Watershed Grant Stream Management Plan Workshop, Order No. POGG1 PDAA 20160000000000000755</p>

Taxpayer Bill of Rights
<p>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.</p>
<div style="height: 150px;"></div>



Last Updated: July 2017

Submittal Checklist	
X	I acknowledge the Grantee will be able to contract with CWCB using the <a href="#">Standard Contract</a> .
Exhibit A	
X	Statement of Work <sup>(1)</sup>
X	Budget & Schedule <sup>(1)</sup>
X	Letters of Matching and/or Pending 3 <sup>rd</sup> Party Commitments <sup>(1)</sup>
Exhibit C	
X	Map (if applicable) <sup>(1)</sup>
X	Photos/Drawings/Reports
X	Letters of Support (Support letter from Basin Roundtable encouraged)
X	Certificate of Insurance (General, Auto, & Workers' Comp.) <sup>(2)</sup>
X	Certificate of Good Standing with Colorado Secretary of State <sup>(2)</sup>
X	W-9 <sup>(2)</sup>
	Independent Contractor Form <sup>(2)</sup> (If applicant is individual, not company/organization)
Engagement & Innovation Grant Applicants ONLY	
	Engagement & Innovation Supplemental Application <sup>(1)</sup>

(1) Required with application.

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

Last Updated: July 5, 2017

<b>Colorado Water Conservation Board</b>
<b>Water Plan Grant - Exhibit A</b>

Statement Of Work	
<b>Date:</b>	10/2/2017
<b>Name of Applicant:</b>	Colorado Water Trust
<b>Name of Water Project:</b>	McKinley Ditch Project
<b>Funding Source:</b>	Water Plan Grant, Environmental & Recreation Projects
<p><b>Water Project Overview:</b> Please provide a summary of the proposed water project (200 words or less). The same summary can be used from Page 5 of the CWP Grant Application.</p> <p>The McKinley Ditch Project is a groundbreaking, collaborative water sharing agreement between agriculture and the environment. Under this pioneering project, historic lands will continue early season irrigation, maintaining the local agricultural heritage. Later in the summer, water will be used to restore flows to a dry section of the Little Cimarron River. In 2014, the Colorado Water Trust purchased 1.5 shares of water in the McKinley Ditch and conveyed to CWCB a permanent right to use those water rights for instream flow use under this proposed split-season operation. The CWCB Board voted unanimously to accept the offered water rights. Members commended the Water Trust for taking this novel idea from a "conversation to a concept", and for helping the state realize the consumptive/non-consumptive partnerships envisioned by the Water Plan.</p> <p>We are close to completing this Project. The final components are to design/build bypass structures at two locations on the Little Cimarron River and to purchase additional shares in the ditch. Funding from this grant will be used for final design and construction at the McKinley Ditch to manage the McKinley shares for the split-season operation and to measure and protect the water applied to instream flow use.</p>	
<p><b>Objectives:</b> List the objectives of the project.</p>	
<p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Preserve agricultural use of land though split-season use</li> <li>• Pilot an agricultural/environmental multi-use project</li> <li>• Implement an alternative transfer mechanism ("ATM") project</li> <li>• Test and evaluate a Grant of Flow Restoration tool with the CWCB</li> </ul> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Restore flows to a 9.2 mile reach of the Little Cimarron and Cimarron Rivers from the McKinley Ditch to the confluence of the Cimarron River and Gunnison River that is dewatered during the summer months.</li> <li>• Re-water a seasonally dry 3.3 mile reach of the Little Cimarron River from the McKinley Ditch headgate to the Perrin Ditch.</li> <li>• Reconnect the upper and lower portions of the Little Cimarron River year-round.</li> </ul>	



Last Updated: July 5, 2017

Provide a detailed description of each task using the following format:
<b>Task 1: Purchase of Additional Water (Prior to contract; not to be paid with Water Plan Funds)</b>
Description of Task:
<p>Matching funds will used to complete project tasks undertaken in the 9 months prior to NTP with the State. These include:</p> <ul style="list-style-type: none"> <li>• Purchase one eighth of one share of the McKinley Ditch water rights (0.46 cfs decreed ) pursuant to a stipulation with opposer in Case No. 14CW3108 (McKinley Ditch change of use to instream flow).</li> <li>• Attend closing and record documents.</li> </ul>
Method/Procedure:
<p>Grantee Deliverable: Describe the deliverable the grantee expects from this task</p> <p>Recorded Special Warranty Deed and Dry-Up Convenient</p> <p>CWCB Deliverable: Describe the deliverable the grantee will provide CWCB documenting the completion of this task</p> <p>Recorded Special Warranty Deed and Dry-Up Convenient</p>

Last Updated: July 5, 2017

Provide a detailed description of each task using the following format:
<b>Task 2: Negotiations – (Prior to contract; not to be paid with Water Plan Funds)</b>
Description of Task:
<p>Matching funds will used to complete project tasks undertaken in the 9 months prior to NTP with the State. These include:</p> <ul style="list-style-type: none"> <li>• Project coordination with engineering contractors</li> <li>• Negotiations with objectors, and their engineer and attorney</li> <li>• Negotiations with the land owner for a grant of irrigation use</li> <li>• Drafting revisions to proposed decree and stipulations</li> </ul>
Method/Procedure:
<p>Meetings with opposers and land owner, analysis of proposals, drafting documents.</p>
Grantee Deliverable: Describe the deliverable the grantee expects from this task
Decree and stipulation with objectors; grant of irrigation use with land owners
CWCB Deliverable: Describe the deliverable the grantee will provide CWCB documenting the completion of this task
Decree and stipulation with objectors; grant of irrigation use with land owner

<b>Tasks</b>
Provide a detailed description of each project task using the following format:

Last Updated: July 5, 2017

Tasks	
<b>Task 3 – Final Design and Permitting</b>	
Description of Task:	
a) Complete final design and prepare construction plans and specifications; b) Conduct discussions with the Army Corps of Engineers and the local floodplain regulator and provide information as necessary; c) Conduction discussions with McKinley Ditch shareholders, as necessary.	
Method/Procedure:	
The Colorado Water Trust will hire an engineering firm. Standard design and professional engineering methods based on professional experience.	
Grantee Deliverable: Describe the deliverable the grantee expects from this task	
Final Design build documents will be provided electronically or hard copy.	
CWCB Deliverable: Describe the deliverable the grantee will provide CWCB documenting the completion of this task	
Final Design build documents will be provided electronically or hard copy.	

Last Updated: July 5, 2017

Tasks	
Provide a detailed description of each task using the following format:	
<b>Task 4 – Construction</b>	
Description of Task:	
Construct and install the new splitter box and return channel, install and calibrate turnback structure modifications, modify existing splitter box structure, and install data recording system.	
Method/Procedure:	
The Colorado Water Trust will hire a construction firm. Standard design and professional engineering methods based on professional experience.	
Grantee Deliverable: Describe the deliverable the grantee expects from this task	
The infrastructure modifications will be constructed and data recording will be installed.	
CWCB Deliverable: Describe the deliverable the grantee will provide CWCB documenting the completion of this task	
The infrastructure modifications will be constructed and data recording will be installed.	
Tasks	
Provide a detailed description of each task using the following format:	

Last Updated: July 5, 2017

Tasks	
<b>Task 5 – Project Management and Reporting</b>	
Description of Task:	
<p>The Colorado Water Trust will provide coordination and project management. The Colorado Water Trust will provide the CWCB with a progress report every six-months, beginning from the date of the executed contract, and a final report at the completion of the project.</p>	
Method/Procedure:	
Empty space for Method/Procedure	
Grantee Deliverable: Describe the deliverable the grantee expects from this task	
Six-month Progress Reports and Final Report	
Empty space for Grantee Deliverable	
CWCB Deliverable: Describe the deliverable the grantee will provide CWCB documenting the completion of this task	
Six-month Progress Reports and Final Report	
Empty space for CWCB Deliverable	

Last Updated: July 5, 2017

### 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. The CWCB may withhold reimbursement until satisfactory progress reports have been submitted.

**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 withhold disbursement the last 10% of the budget until 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.

Project costs not covered by this or other grants are the responsibility of the grantee. Project costs that are eligible for CWCB funds will be disbursed at the following percentages: 50% Water Plan Grant funds to 50% matching funds.

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



Last Updated: July 5, 2017

### Performance Measures

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 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.