



MEMORANDUM
OCTOBER 5, 2018

TO: BOARD OF DIRECTORS

FROM: ANDY MUELLER, GENERAL MANAGER

SUBJECT: GENERAL MANAGER'S UPDATE

ACTION: *No action requested*

STRATEGIC INITIATIVE(S):

4. Colorado River Supplies:

- 4. A.** *The River District will advocate for full use of its Colorado River Basin water supplies for the benefit of the District's inhabitants, without undue risk of overdevelopment.*
- 4. B.** *The River District will advocate for full protection and preservation of water rights perfected by use prior to the effective date of the 1922 Compact and thereby excluded from curtailment in the event of compact administration.*
- 4. C.** *The River District will continue to study mechanisms, such as a Compact Water Bank and Contingency Planning that include demand management, drought operations of CRSP reservoirs, and water supply augmentation to address the risk of overdevelopment.*
- 4. D.** *The River District will work with the State Engineer's Office and other interested parties to develop an equitable mechanism for potential compact administration.*

6. Agricultural Water Use:

- 6. A.** *The River District will continue to study the concept of a voluntary and compensated compact water bank in collaboration with other stakeholders to best preserve western Colorado agriculture.*
- 6. B.** *The River District will explore alternative transfer methods that allow agricultural water users to benefit from the value of their water rights without the permanent transfer of the rights, and without adverse impacts to the local communities and the regional economy.*
- 6. C.** *Although the River District recognizes that some reductions in demands of agricultural water rights may be necessary to protect existing water uses in the basin, the District will work to ensure that the burden of demand reduction is shared across all types of water use sectors, and that agricultural water rights, and agriculture itself, are not injured.*
- 6. D.** *The River District will protect the integrity of senior agricultural water rights within Colorado's prior appropriation system, recognizing the potential risks to those rights posed by the constitution's municipal right of condemnation.*

8. Colorado's Water Plan:

- 8. B.** *The River District will work with the, Southwest Water Conservation District, the Southwest Basin Roundtable and the three Basin Roundtables that comprise the District to achieve a consistent West Slope perspective related to contingency planning and compact administration risk matters.*
 - 8. E.** *The River District will work to ensure that the IBCC Conceptual Framework is honored and fairly implemented.*
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11. River District Staff Resources: For the River District to successfully fulfill its mission and meet strategic initiatives of the organization, it is imperative to attract and retain a highly qualified staff. The River District values each employee and their contributions and recognizes that the success of the organization depends heavily on the success of its employees.

I. Update on Discussions Regarding a Demand Management Program

We have spent quite a bit of time discussing the “third leg” of the Upper Basin Drought Contingency Plan (DCP), Demand Management. I will not reiterate everything we have discussed in the past, however, I do want to provide an update of events that have occurred in this arena since our last Board meeting on September 13, 2018.

As you will recall, the River District and the Southwestern Conservation District (Southwestern) sent a letter to the CWCB and the State Engineer asking that the state of Colorado adopt a resolution affirming the State's commitment to six principles which would provide guidance for the state as it considers creating and/or implementing a demand management program within the State of Colorado. Those principles are:

1. The storage account in Lake Powell or other CRSPA initial units must be available without charge, used for the purpose of storing water created by managing consumptive uses under a Demand Management Program, for the exclusive benefit of the Upper Division States to ensure compliance with Article III of the Colorado River Compact (“Upper Division storage account”).
2. The Upper Division storage account must be exempt from coordinated operations between Lakes Mead and Powell. In other words, such an account should not be subject to equalization or balancing releases from Lake Powell.
3. Colorado's contributions to the Demand Management Program will be generated exclusively through voluntary, temporary and compensated contributions of water that was beneficially used under existing rights and otherwise would have depleted flows in the Upper Basin within Colorado prior to being conserved as part of that program. The conserved water would be stored and accounted for in the Upper Division storage account until it is determined by the Upper Colorado River Commission (“UCRC”) that release of the water is necessary for compliance with the Colorado River Compact. A demand management program will reflect proportionate contributions from each Upper Division state.
4. The creation, delivery, and use of the conserved water must not injure the water rights of others. Conserved water shall not be consumptively used by others within any Upper Division state.

5. The Demand Management Program will be implemented to avoid disproportionate impacts to any single basin or region within Colorado. This means that the water generated from Colorado under the Demand Management Program will be derived from water rights used on both sides of the Continental Divide and, more specifically, in amounts that are roughly proportionate to those two regions' post-compact depletions from the Colorado River. The payments for water generated by demand management should be market-based within the area or market from which the water is generated, and recognizing different market values for water within the state, will not necessarily be proportionate between basins. No water user would be required to contribute conserved water for this purpose and no entity or person would be expected or required to contribute funds for this purpose. Contributions would also be subject to annual and cumulative volumetric caps.

6. Colorado's participation in a Demand Management Program must be consistent with Principles 1 through 7 of the Conceptual Framework set forth in Colorado's Water Plan.

On September 19, 2018 the CWCB held a meeting in Steamboat with the Upper Basin DCP listed as a public agenda item. The Attorney General's office and the CWCB staff took the lead in presenting the issues. The Attorney General's office reaffirmed the position of Colorado's Commissioner to the Upper Colorado River Commission, James Eklund, that the discussions at the UCRC level and the push for federal legislation authorizing the Upper and Lower Basin DCP's are completely separate processes than our internal state process. The CWCB staff affirmed that their public presentations had been limited to a voluntary compensated demand management program but, as reflected in their memo, certain water users are calling for the potential implementation of a demand management program which includes uncompensated anticipatory mandatory curtailment of water rights within the state.

The public comments at the meeting lasted for at least two hours and were kicked off by the representatives of the River District and Southwest and followed by a string of representatives of most of the Front Range Water Council. Additional supportive voices from the West Slope were presented by the Gunnison Basin Round Table, the Colorado Basin Round Table and the Southwestern Roundtable. The West Slope presentation was completely consistent with our prior Board direction and my earlier presentation at the River District Seminar. The Front Range representatives affirmed their position that no CWCB action was needed, that a voluntary program was a fine goal but that they believed the state needed to roll out a program which includes rules and requirements for mandatory anticipatory curtailment. The presentation from the string of Front Range entities confirmed the River District Staff's concerns that major water users in the state would like the Upper Basin Demand Management pool established quickly with the intent that it be filled with water from a program highly or exclusively dependent upon water contributed via uncompensated, anticipatory, mandatory curtailment of water rights in the Colorado River Basin.

The CWCB board members did not ask questions of any parties, but appeared to be listening intently. None of the Board members expressed a present willingness to entertain the request of the West Slope conservation districts regarding a resolution or policy. Many expressed a desire to

see and digest the Upper Basin DCP documents before taking any action. Some also reiterated Commissioner Eklund's position that the UCRC/federal legislation process is completely separate and unconnected to anything occurring within the State of Colorado.

The CWCB had a special meeting via telephone on Thursday, October 4, 2018 in which the Board went through the "final draft" version of the DCP documents in an executive session followed by a public meeting. Peter and I both attended the public meeting by phone. There were statements from staff and the Attorney General's office similar to those by staff at the September 19th CWCB Board meeting. The Board did, upon motion by Celine Hawkins, the Southwest Basin board member, unanimously vote to direct staff to educate the public on the UCRC DCP documents and to develop a policy statement or resolution setting forth principles which will guide the state in considering a demand management program with the intent that the Board review and consider it at their November meeting. This is a welcome development. The substance of the policy/resolution will be very important for the long term preservation of West Slope agriculture.

Consistent with the Attorney General office's presentation at the CWCB meeting, Commissioner Eklund has indicated that the UCRC DCP documents will be released to the public on October 9, 2018 and publicly discussed in a Webinar at 10 a.m. that same day. This is a welcome step toward the transparency that the River District and the Southwestern District have requested. My previous email to the Board provides the log/call in information for this webinar.

Based our prior discussions and direction from the Board, we believe that if a Demand Management pool is created through federal legislation and action by the UCRC (starting with the execution of the currently contemplated DCP documents), that there will be a significant push by the members of the FRWC to move immediately to an anticipatory, non-compensated curtailment model of contribution to the pool. We respectfully, but strongly disagree with the concept that the push for federal legislation and the execution of the Upper Basin DCP documents are not inherently tied to the establishment of a demand management program within the state of Colorado. If the pool is established without a commitment to principles designed to protect Western Colorado agriculture and initially limited to the publicly vetted concept of a voluntary compensated program, Western Slope agriculture is at risk of quickly becoming the sacrifice zone. While our District has opposed the mandatory demand management model without a proper public discussion and consensus, we recognize that the overuse in the Lower Basin, coupled with the continuation of extremely poor hydrology may, in the future cause us all to support or at least be willing to endure an anticipatory mandatory curtailment.

We encourage discussion by and direction from this Board regarding:

1. Confirmation of the West Slope's position that, because of the relative economic and political power of the Front Range, the State's approval of the Federal/UCRC/DCP documents is integrally connected to the implementation of a Demand Management Program within Colorado;
2. Confirmation of the assurances this Board would like see from the State of Colorado on behalf of West Slope water users regarding such a voluntary program; and

3. The prospect of a mandatory anticipatory, non-compensated Demand Management Program:
 - a. Thoughts and concerns about such a program;
 - b. The type of information needed prior to the discussion of such a program; and
 - c. The type of public discourse, including how positions and decisions related to such a program could be informed by Phase III of the Risk Study, and process necessary prior to the establishment of such a program.

II. Update Regarding Efforts to Fund Colorado Water Plan

The Colorado Water Plan, which was finalized in 2016 identified a significant financial shortfall in the ability of the State to meet the needs identified in the Water Plan. Several groups have been discussing this shortfall. Among these are: 1. A sub-committee of the IBCC; 2. A broad based coalition of civic and water leaders facilitated by the Keystone Group and initiated and funded by the Gates Family Foundation and the Walton Family Foundation (the "Keystone group"); and 3. A coalition of the Agricultural producers organized under the leadership of Terry Frankhauser from the Colorado Cattlemen's Association (the "Agriculture group"). I have been involved in the IBCC subcommittee and Chris Treese and I have participated the effort facilitated by the Keystone Group. One or more of our current and past Board members have participated in the Agricultural group.

The discussions at the Keystone group included an evaluation of the attractiveness and likelihood of electoral success of various revenue streams for this effort, including but not limited to: a bottle tax, a water tap fee or a water service fee, a sports betting tax, a sales tax, and a lodging tax. Additionally, the Keystone group and the IBCC subcommittee has discussed potential governance structures for collecting funds, evaluating proposed projects and distributing the funds.

All three groups have discussed the concept of having funds allocated to "buckets" or categories of projects. The categories discussed by the IBCC and the Keystone Group initially included five categories taken from the Colorado Water Plan: Healthy Rivers, Water Quality, Sustainable Agriculture, and Infrastructure. We launched a significant lobbying effort to expand this five bucket concept to a six bucket concept. The sixth bucket, as it has come to be defined, being "Colorado Compact Obligations, focused primarily on the Colorado River". Basically, given the discussions detailed above about voluntary compensated vs. mandatory non-compensated demand management, I felt that any statewide water funding mechanism needed to include significant money for a Demand Management program. Both the IBCC and the Keystone Group have agreed to incorporate this concept into their working drafts. I attach the current working draft of the "funding strategy" document from the Keystone group for your review. I welcome any and all input into the concepts presented in that document.

The Agriculture group has strongly suggested that the "Sustainable Agriculture" bucket be changed to be "Productive Agriculture" with an emphasis on the long term financial viability of agriculture producers. The Keystone group was receptive to this change as were portions of the

IBCC funding subcommittee. Language revisions are in the works presently and will be discussed at the IBCC meeting held in Durango the day after our Board meeting.

III. Service Anniversary: Meredith Spyker

Meredith Spyker, our Administrative Assistant, is celebrating her tenth year of outstanding service here at the River District. Meredith has mastered managing our vehicle fleet, the front desk and coordinating and implementing numerous other duties including significant efforts at keeping the Board fed, caffeinated and hydrated during our meetings. Please make sure you thank Meredith if you have the opportunity.

IV. Proposed Downlisting of the Razorback Sucker by the USFWS

After more than 30 years of the Upper Colorado Endangered Fish Recovery Program operation, the state's water users and Program have some news to celebrate.

This in from Tom Pitts just this week:

At the September 27, 2018 meeting of the Recovery Implementation Committee, Upper Colorado River Endangered Fish Recovery Program, Noreen Walsh, Regional Director, USFWS Region 6, Denver announced that the 5 year status review of the razorback sucker had been completed. The 5 year status review will recommend downlisting of the razorback sucker from endangered to threatened. A press release and a status review will be released by approximately October 8.

A downlisting package must be prepared for review by the USFWS Directorate in Washington. Once approved, a notice will be published in the Federal Register for a 60 day review. Downlisting is expected to occur in mid-2019. Hopefully, the Federal Register notice will be published prior to the 2019 Washington trip by nonfederal participants in the recovery programs.

As you may recall, Director Walsh signed the 5 year status review for the humpback chub recommending downlisting from endangered to threatened in early 2018. During the annual visit to Washington, D.C. in March 2018, the news was very well received by congressional staff and committees. Downlisting was considered to be a sure indication of progress towards recovery by the two recovery programs. The downlisting of the razorback sucker is likewise expected to be expected to be well received in Congress and among partners in the recovery programs.

STRAWMAN FOR DISCUSSION
Colorado's Water Plan – Funding Strategy
September 18, 2018
DRAFT CATEGORIES

Colorado's Water Plan was initiated in 2015 and created a blueprint for better water management in Colorado. However, implementation of the plan requires sustainable funding. Currently the plan has been largely funded through rate payers, as well a portion of the Severance Tax, state, federal and other funding sources. The estimated funding gap is approximately \$100 Million annually starting in 2020.

Broad Categories of Funding Needed.

This group has worked to align its priorities with the work of the IBCC Funding Work Group. These categories are included, as defined by IBCC, and this group has added the bulleted generic examples below each category. Examples of specific funded projects with associated costs can be found within the appendices. Examples of specific projects funded by the Water Plan Grant in 2017 can be found in Appendix A. Since this group is recommending a new category regarding Colorado Compact Obligations, and this was not a funding category in the 2017 CWP grant process, a table of projects under the System Conservation Pilot Program (SCPP) is included in Appendix B. Similarly, water quality projects that implement forest and watershed health plans were not included in the 2017 CWP grant process. An example of a water quality project, and the related costs, is included as Appendix C.

Categories:

Healthy Rivers – The flow of Colorado's rivers serve as the backbone for our coveted natural environment and our valuable recreation economy. To maintain river and riparian health and resiliency the Fund will support plans that respect community values and adhere to common approaches to identify stream and riparian needs, along with the implementation of collaborative solutions to meet them, such as market-based environmental and recreational water transactions (from IBCC Draft Funding Document, 7/9/18). Examples include but are not limited to:

- Projects identified in stream management plans or similar projects, including, but not limited to in-stream flows, habitat restoration
- Projects to promote the sustainability of fish and wildlife
- Projects and methods that support economically important water-based recreation
- Projects that develop and support wetland habitat
- Fish passage construction for new or revised water diversion structures
- Stream restoration projects
- Environmental and recreational enhancements for new or revised water supply projects

Water Quality – Colorado’s health and prosperity as a state depend on thriving watersheds and resilient water quality. The Fund will support basin and regional projects that identify watershed needs, as well as the implementation of joint efforts to improve watershed functionality and reduce water quality risks to our communities, such as forest integrity, reduction of selenium and salts, and mine remediation. (IBCC Draft Funding Document, 7/9/18) Examples include but are not limited to:

- Projects identified in collaborative and science-based watershed management plans that reduce the risk from and increase resilience to fires and/or floods, rehabilitate streams, or make landscapes resilient to climate change, including, but not limited to pre- and post-fire tree thinning and debris management
- Projects that address pollutants such as selenium, salts, and others, as well as mine remediation activities

Conservation and Efficiency – Colorado continues to lead the way with innovative water conservation and efficiency technologies on our farms and in our cities. The Fund will be used to accelerate these strategic improvements by: supporting agricultural water infrastructure that increases reliability and efficiency; assisting communities with water-smart new development and conservation programs; targeting smaller, fast-growing, and older communities with strategic, incentive-based grants; and supporting reuse projects that efficiently stretch existing supplies to reduce pressure on rivers and streams. (IBCC Draft Funding Document, 7/9/18). Examples include but are not limited to:

- Municipal and industrial water projects that promote efficiency, conservation, and green infrastructure for small and medium-sized municipalities with a goal of lowering overall per capita use
- Enhance conservation efforts for small and medium sized municipalities through additional capacity to implement state-of-the-art water efficiency, such as smart-meters/bills, turf replacement, conservation outreach and education
- Increase leak detection for infrastructure repair and replacement
- Incentivize connecting water efficiency with land use planning, shrinking total water use
- Projects to update and improve agricultural infrastructure or implement technology for efficiency and storage, especially where improvements provide multiple benefits (i.e. benefits for municipal or industrial supply, recreation, or the environment)
- Incentivize outdoor landscaping practices for new and existing land uses to reduce overall consumptive water use

Sustainable Agriculture – [NOTE: This section is likely to be further refined with input from the Ag Water Network] To maintain sustainable agriculture, Colorado needs to continue promoting the evolution and development of improved technologies and flexible agricultural water management practices and increased agricultural water supplies to ensure our food security. The Fund will support the preservation of agricultural production as well as flexible water sharing agreements by: assisting with projects that

address agricultural water shortages, incentivizing water leasing over traditional “buy and dry” approaches, and supporting infrastructure necessary to monitor, store, and deliver agricultural water supplies. (IBCC Draft Funding Document 7/9/18). Examples include but are not limited to:

- Projects that support Alternative Transfer Mechanisms, including tracking and administering agricultural conserved water, facilitation and technical support, and related infrastructure including education and technical assistance programs for farmers and ranchers to help realize more market-competitive transactions that promote implementation of Alternative Transfer Mechanisms
- Projects that encourage soil health
- Education and assistance programs to enable young farmers to enter the agriculture industry.
- Projects that support new or improved diversion structures which provide better agricultural water deliveries and that may also provide other benefits to other uses such as environmental, recreational, municipal and industrial sectors
- Agricultural water supply projects which address agricultural shortages and that may also provide multiple benefits to other uses such as environmental, recreational, municipal and industrial sectors
- Projects that improve water management in agriculture such as improved water measurement, data logging, telemetry and web-based automation and control

Infrastructure – The growing population of Colorado depends on robust water infrastructure to supply our farms, ranches, and homes. The Fund will strategically assist in upgrading aging infrastructure while incentivizing new storage and delivery projects that collaboratively address multiple needs, such as improved flows to meet demands, stream and watershed health, and habitat quality. Given that many infrastructure projects are eligible for other funding, this category would be subject to specific criteria to ensure efficient use of state funds. In addition, any project funded in this category would have to be consistent with the relevant sections of the Conceptual Framework¹ (IBCC Draft Funding Document, 7/9/18). Examples include but are not limited to:

- Incentivize traditional water infrastructure projects to include public and environmental benefits including river health and habitat quality (beyond required mitigation)
- Projects that support multi-purpose projects and storage methods that are supported in CWP and Basin Implementation Plans
- Financial support for technical and practical storage innovations
- Adding or upgrading infrastructure to facilitate ATMs
- Other projects could include:
 - Reservoir dredging or expansion

¹ The Conceptual Framework in the Colorado Water Plan provides guidance and establishes conditions for a new multipurpose and cooperative transmountain diversion (TMD) project that would bring western slope to the eastern slope if a new TMD is proposed in the future.

- New storage
- Reuse
- System automation
- Stream gauge installation
- Piping and lining of canals
- Diversion structures and pumping infrastructure

Colorado Compact Obligations especially focused on the Colorado River Basin – Colorado is the headwaters state. All of the water flowing through our state originates in our state. The State of Colorado is party to nine interstate agreements (“compacts”) committing Colorado to sharing a portion of each of our rivers and streams.

Colorado’s obligation as signatory to these compacts annually requires Colorado to curtail or reduce current water uses in order to comply with the terms of the compacts on the South Platte, Arkansas, Republican and Rio Grande Rivers. Only the Colorado River has never been subject to compact curtailment. The Colorado River is also unique in that it is the river of statewide interest and use across Colorado. Accordingly, compact curtailment orders on the complex network of Colorado River use would have critical implications to all of Colorado’s economy and water uses.

Colorado and the other states of the Colorado River basin are examining ways to create and “bank” water to provide water supply security through voluntary, compensated, and temporary reductions in water consumption. This “banked” water would be used to avoid, delay or mitigate a Colorado River compact curtailment order. Annual funding would be provided to compensate water users for their water savings if they choose to participate in such a program.

This fund would provide associated investments necessary to ensure water supply security and to reduce Colorado’s exposure to statewide risk related to its Colorado River water supplies

Funding would go to voluntary and compensated projects and programs that reduce the risk of compact calls, and will not be used to pay for, litigation, penalties or settlements to other states as a result of compact obligations. Examples include but are not limited to:

- Voluntary, compensated reductions in consumptive use through fallowing, deficit irrigation, crop changes, or other means and allocation of savings to system and compact purposes
- Programs that reduce municipal or industrial consumptive use through the implementation of conservation programs or improved system efficiency combined with allocation of savings to system and compact purposes
- Monitoring, measurement, and management of associated programs that reduce consumptive use to benefit a Colorado water compact

HOW THE FUNDING WILL BE DISTRIBUTED ACROSS THESE CATEGORIES

Please note: This is a working draft and does not imply endorsement by group members.

The intent is to address projects throughout Colorado and for funding to be allocated evenly across the categories. The group recommends placing emphasis on projects that meet multiple objectives (e.g., category areas), and demonstrate local support (e.g., Roundtable support, matching funding).

Recognizing that needs and priorities may shift over time, the group recommends that each category receives a minimum amount (to be determined) each year, with some flexibility across categories to address fluctuating needs and priorities and projects submitted. However, the categories should receive more or less equal amounts of funding when averaged out over a five-year rolling average.

Appendix A – 2017 Water Plan Grant funded projects



John Hickenlooper, Governor

Robert Randall, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members
FROM: Lauren Ris, Deputy Director **DATE:** May, 2018

Water Plan Grants - Overview

Introduction

This agenda item will provide the Board with an overview of the Water Plan Grant review and approval process and timeline. Water Plan Grants (WPGs) reviewed at this Board meeting only include applications to be considered for final approval.

Background

The 2017 Projects Bill (HB17-1248) included \$10 million for the Board to begin implementation of Colorado's Water Plan (CWP). The Bill included \$1 million for the SWSI Update work, leaving \$9 million for grants for projects or activities that specifically have the potential to achieve the measurable objectives identified in CWP.

The WPG approval process spans two Board meetings, including an initial review followed by final Board approval. The first application deadline was August 1, 2017 and the grants were approved at the November Board meeting. The second round of applications was received on October 1, 2017 and were approved at the January Board meeting. The third and final round of applications for this fiscal year were due February 1, 2018 and received initial consideration at the March Board meeting.

During the review process, some applications were withdrawn and some applications needed additional time or detail before a full assessment could be made. Staff offered to work with applicants to assist with missing or incomplete information.

The agenda items that follow are based on the categories identified for WPG funding in the 2017 Projects Bill. Staff provided a presentation on each of the projects or activities at the March 2018 Board meeting, including how it advances the measurable objectives of CWP. Staff will be asking the Board for block approval of the grants in each category, unless separate votes are requested by the Board.

Grants that receive final approval today will begin the contracting process. Applicants are expected to enter into a contract within six months of approval.

Table 1 is a summary of the WPGGrant categories, the total demand on each of the categories, and the remaining balances.

Table 1. Funding Summary of WPGGrant Categories

WPGGrant Category	HB17-1248	Total Request	Total Recommended	Remaining Balance
Agricultural	\$1,000,000	\$1,258,958	\$883,958	\$116,000
Storage	\$3,000,000	\$4,684,500	\$3,000,000	\$0
Supply Gap	\$2,000,000	\$2,353,643	\$1,947,051	\$52,900
Env/Recreation	\$1,000,000	\$2,798,761	\$998,998	\$1,000
Conservation	\$1,000,000	\$997,754	\$997,754	\$2,200
Innov/Outreach	\$1,000,000	\$1,085,913	\$999,869	\$100

Below is the list of projects or activities that were previously approved by the Board and the action or position taken on each.

Water Plan Grant Applications - Rounds 1 through 3							
Applicant	Project	Primary	WP/Grant Request Amount	Total Project Cost	WP/Grant Amount	Type	Action (Staff Recommendation)
Fruitland Irrigation Company	Fruitland Irrigation Renovation Project	Agriculture	\$500,000	\$10,455.5	\$350,000	Construction	Approved Nov 2017
La Plata Water Conservancy District	Bobby K Taylor Reservoir Recharge Pits	Agriculture	\$35,000	\$70,000	\$35,000	Construction	Approved Nov 2017
Treanor Enterprise Ditch Company	Treanor Ditch Lining Project	Agriculture	\$17,000	\$30,000	\$17,000	Construction	Approved Nov 2017
Colorado River Water Conservancy District	Silt Water Conservancy District Agricultural Infrastructure Improvement Project	Agriculture	\$200,000	\$4,710,000	\$100,000	Construction	Approved Jan 2018
Ducks Unlimited, Inc	North Park Irrigated Meadows Infrastructure Improvements	Agriculture	\$150,000	\$300,000	\$75,000	Construction	Approved Jan 2018
Colorado River Water Conservancy District	Fire Mountain Canal Regulating Reservoir	Agriculture	\$100,000	\$3,132,000	\$50,000	Construction	Approved Jan 2018
Fire Mountain Canal & Reservoir Co.	Automation, Remote Monitoring & SCADA to Improve System Efficiency	Agriculture	\$26,055	\$58,690	\$26,055	Construction	Supported
Florida Consolidated Ditch Company	Florida Canal Structure Rehabilitation Project: Phase 2	Agriculture	\$120,000	\$1,580,000	\$120,000	Construction	Supported
San Luis Valley WCD	Rio Grande Basin Soil Moisture Pilot Project	Agriculture	\$20,000	\$43,000	\$20,000	Study	Supported
Arkansas River Watershed Collaborative	Arkansas Basin Project Implementation Guide to Watershed Health	Agriculture	\$90,903	\$125,903	\$90,903	Study	Supported
Total Agriculture			\$1,258,958		\$883,958		
Domestic Water & Sanitation	Regional Factors in Precipitation Harvesting	Cons & LU	\$54,000	\$108,000	\$54,000	Study&PPP	Approved Nov 2017
Peak Spatial Enterprises/Chambers Econ and Analytics	Water Information/Real Estate Water Disclosure Site	Cons & LU	\$60,000	\$127,500	\$60,000	Study&PPP	Approved Nov 2017
NWCCOG/OQ	Water savings measures in land use codes in the headwaters	Cons & LU	\$25,500	\$74,500	\$25,500	Study	Approved Jan 2018
WaterReuse Colorado	Development of Treatment and Monitoring Guidelines for Direct Potable Reuse in Colorado	Cons & LU	\$65,000	\$100,000	\$65,000	PPP	Approved Jan 2018
Colorado Springs Utilities	Homebuyer Landscape Outreach Program	Cons & LU	\$50,000	\$179,610	\$50,000	Other	Approved Jan 2018
Babbitt Ctr for Land & Water Policy, Getches-Wilkinson Ctr for Natl Resources	Guidance to Covered Entities for Land Use Planning Components of Water Efficiency Plans	Cons & LU	\$35,000	\$84,990	\$35,000	Study	Supported
Green Mountain Water & Sanitation Dist.	Customer Engagement & Analytics Tool	Cons & LU	\$72,000	\$144,000	\$72,000	Engagement	Supported
The Meadows Neighborhood Company	Targeted, Integrated Irrigation Efficiency Improvements and Mgmt and Turf Conversion for Reduced Water Use	Cons & LU	\$66,700	\$162,800	\$66,700	Study&Const	Supported
Year One, Inc. dba Mille High Youth Corps	Energy and Water Conservation Program	Cons & LU	\$99,964	\$124,169	\$99,964	Other	Supported
Sonoran Institute	Colorado Growing Water Smart Best Practices for Water Meter	Cons & LU	\$398,000	\$896,122	\$398,000	Engagement	Supported
Western Resource Advocates (WRA)	Retrofit Projects Financed by State Performance Contracts in CO	Cons & LU	\$52,500	\$152,875	\$52,500	Other	Supported
Western Resource Advocates (WRA)	Conservation Oriented Tap Fees: Guide and Workshop	Cons & LU	\$19,090	\$21,470	\$19,090	Other	Supported
Total Conservation & Land Use			\$997,754		\$997,754		

Applicant	Project	Primary	WPGrant Request Amount	Total Project Cost	WPGrant Supported Amount	Type	Action (Staff Recommendation)
Arkansas River Basin Water Forum	Implementing the Education & Outreach Goals of the Arkansas Basin Implementation Plan through Education to Action Projects/Programs	Engagement	\$24,350	\$32,800	\$24,350	Engagement	Approved Nov 2017
Colorado Cattlemen's Association	Agriculture Water Collaborative	Engagement	\$76,200	\$152,400	\$76,200	Engagement	Approved Nov 2017
Colorado Foundation for Agriculture	Understanding Water Activity Book	Engagement	\$53,000	\$66,000	\$53,000	Engagement	Approved Nov 2017
Colorado Foundation for Water Education	Deepening Water Engagement through Expansion of the Water Educator Network and Citizen's Guides publication series	Engagement	\$110,000	\$124,000	\$109,984	Engagement	Approved Nov 2017
Colorado Open Lands	Enhancing the Colorado Water Plan through Comprehensive Education and Outreach	Engagement	\$61,750	\$110,250	\$61,750	Engagement	Approved Nov 2017
Denver Botanic Gardens	Water in the West: Exhibition & Outreach through the Gardens	Engagement	\$44,750	\$94,750	\$44,750	Engagement	Approved Nov 2017
Geothermal Greenhouse Partnership, Inc.	Community Garden and Innovation Greenhouses	Engagement	\$174,500	\$268,500	\$174,500	Construction	Approved Nov 2017
One World One Water Center at MSU Denver	Water Wise Circa 2018: Water Theatre Company	Engagement	\$10,225	\$13,255	\$10,225	Engagement	Approved Nov 2017
Open Water Foundation	TAP-IN	Engagement	\$54,000	\$64,000	\$54,000	Engagement	Approved Nov 2017
Rearring Fork Conservancy	River Center Education Programs	Engagement	\$50,000	\$134,000	\$50,000	Engagement	Approved Jan 2018
National Young Farmers Coalition	Training Young Farmers – Water Leaders	Engagement	\$33,080	\$41,280	\$33,080	Engagement	Approved Jan 2018
Middle Colorado Watershed Council	Colorado River Interpretive Center	Engagement	\$47,400	\$60,400	\$47,400	Engagement	Approved Jan 2018
Mancos Conservation District	Mancos Watershed Outreach/Data (MWOD) & School-based Outdoor Learning Labs (SOLL)	Engagement	\$81,250	\$181,621	\$81,250	Engagement	Approved Jan 2018
Colorado State University, Colorado Stormwater Center, Tyler Dell, PI	Investigation of Barriers to Policy for Low Impact Development	Engagement	\$10,000	\$12,500	\$10,000	Engagement	Approved Jan 2018
The Greenway Foundation	Clean River Design Challenge	Engagement	\$24,500	\$49,000	\$24,500	Engagement	Supported
Water Education Colorado	Design and Build Statewide, Data-Based Strategic Water Education Action Plan and Associated Tools	Engagement	\$47,000	\$84,087	\$47,000	Engagement	Supported
Left Hand Watershed Oversight Group	Stewardship Through Community Science	Engagement	\$36,000	\$136,398	\$36,000	Engagement	Supported
Denver South Transportation Management Association	Infrared Plant Stress Monitoring Pilot	Engagement	\$19,350	\$38,700	\$19,350	Engagement	Supported
Sangre de Cristo Acequia Association	Preserving the Hispano Water Culture Curriculum	Engagement	\$7,500	\$45,500	\$7,500	Engagement	Supported
One World One Water Center at MSU Denver	Activating Colorado's Water Plan with Student Driven Innovation	Engagement	\$35,000	\$45,000	\$35,000	Engagement	Supported at reduced funding from Round 2
Southern Rocky Seed Network	Reducing Water Consumption with Native Seed Market - Feasibility	Engagement	\$86,058	\$138,508	\$0	Study	Not Supported
Total Innovation & Engagement			\$1,085,913		\$999,869		

Applicant	Project	Primary	WPGrant Request Amount	Total Project Cost	WPGrant Supported Amount	Type	Action (Staff Recommendation)
American Whitewater	Assessing Non-consumptive Rec Needs & Opportunities in the Rio Grande River Basin	Env & Rec	\$39,200	\$90,160	\$39,200	Study	Approved Nov 2017
Denver Botanic Gardens	South Platte River Basin Restoration Planning and Feasibility Study	Env & Rec	\$69,847	\$145,485	\$69,847	Study	Approved Nov 2017
Trout Unlimited	Needle Rock Ditch Diversion Modification	Env & Rec	\$20,000	\$40,000	\$20,000	Construction	Approved Nov 2017
Trout Unlimited	Windy Gap Reservoir Bypass Project	Env & Rec	\$1,950,000	\$16,139,684	\$325,237	Construction&IPP	Approved Nov 2017
Colorado Springs Utilities	Homestake Arkansas River Diversion Improvements	Env & Rec	\$300,000	\$7,650,000	\$200,000	Construction&IPP	Approved Jan 2018
Colorado Water Trust	Mckinley Ditch Project	Env & Rec	\$66,000	\$140,300	\$66,000	Construction & Other	Approved Jan 2018
Trout Unlimited	Lower Tomichi Water Conservation Project	Env & Rec	\$150,000	\$300,000	\$75,000	Study and Other	Approved Jan 2018
Mountain Studies Institute	Animas River Removal and Replacement of Invasive Phreatophytes, Phase II	Env & Rec	\$48,714	\$121,495	\$48,714	Other	Supported
Rio Grande Watershed Emergency Action Coordination Team	Upper Rio Grande Environmental Restoration and Recreation Infrastructure Improvements	Env & Rec	\$55,000	\$171,705	\$55,000	IPP	Supported
City of Steamboat Springs	Fish Creek Critical Community Watershed Wildlife Protection Plan	Env & Rec	\$50,000	\$150,000	\$50,000	Study& IPP	Supported
Florida Consolidated Ditch Company	Florida Canal Diversion Structure Rehabilitation Project: Phase 2	Env & Rec	\$50,000	\$1,580,000	\$50,000	Study	Supported
Total Environment & Recreation			\$2,798,761		\$988,998		
City of Walsenburg	City Lake Dam Rehabilitation and Enlargement	Storage	\$804,000	\$6,821,000	\$804,000	Construction	Approved Nov 2017 w/ condition
Colorado River Water Conservation District	Understanding local streamflow to quantify West Divide Project component yield	Storage	\$80,260	\$160,520	\$80,260	Study	Approved Nov 2017
City of Brighton	Eger's Augmentation Station	Storage	\$700,000	\$3,500,000	\$700,000	Construction	Approved Jan 2018
Ogilvy Irrigation and Land Company	Dredging Project	Storage	\$1,504,000	\$3,668,000	\$1,415,740	Construction	Supported at reduced funding
Jackson Lake Reservoir & Irrigation Company	Dredging Project	Storage	\$2,145,500	\$4,120,500	\$0	Construction	Withdrawn
Town of Georgetown	Dredging Project	Storage	\$1,035,000	\$2,070,000	\$0	Construction	Not supported
Total Storage			\$6,268,760		\$3,000,000		
Central Colorado Water Conservancy District	Walker Recharge Project	Sup & Dem	\$1,000,000	\$9,998,100	\$750,000	Construction	Approved Nov 2017
Conjoes Water Conservancy District	Conjoes Cooperative Project	Sup & Dem	\$314,643	\$349,643	\$158,051	Study& IPP	Approved Nov 2017
South Metro WISE Authority	WISE Binney Connection	Sup & Dem	\$80,000	\$250,000	\$80,000	Study& IPP	Approved Nov 2017
Town of Firestone Water Activity Enterprise	Modeling Reservoir Operations for Direct Reuse	Sup & Dem	\$71,500	\$160,100	\$71,500	Study	Approved Jan 2018
Colorado Springs Utilities	Homestake Arkansas River Diversion Improvements	Sup & Dem	\$500,000	\$7,650,000	\$500,000	Construction & IPP	Approved Jan 2018
St. Charles Mesa Water District	Long-Term Potable Water Supply to the Zimno Subdivision	Sup & Dem	\$75,000	\$1,180,587	\$75,000	Construction	Approved Jan 2018

Town of Castle Rock	Piñon Creek Water Purification Facility Advanced Treatment	Sup & Dem	\$200,000	\$27,000,000	\$200,000	Construction	Supported
Pikes Peak Regional Water Authority	El Paso County Groundwater Depletions- Project Implementation Strategies to Meet the Sup & Dem Gap	Sup & Dem	\$112,500	\$225,000	\$112,500	Study & I/P	Supported
Total Supply Demand			\$2,353,643		\$1,947,051		

Appendix B – Examples of Colorado Compact Obligation projects

The System Conservation Pilot Program (SCPP) is a program designed to explore potential solutions in regards to declining water levels in Lakes Mead and Powell, as well as the potential for long-term drought in the Upper Colorado River Basin. The program implements and tests on-the-ground water conservation opportunities which may be helpful in managing ongoing record drought conditions in the Colorado River Basin. The purpose of the program is to explore and learn about the effectiveness of temporary, voluntary and compensated measures that could be used, when needed, to help maintain water levels in Lake Powell at a level necessary for hydroelectric power production and to protect Colorado River compact entitlements.

The following table list the projects that were selected in 2017, the estimated total consumptive use savings, and the total cost of the project for each respective year:

Tributary	State	Type of Project	Total Estimated Consumptive Use Savings (Acre-Foot)	Duration of Project Benefits (Year)	Total Cost
San Juan River & Animas River	NM	Combo of Fallow & Split Season Deficit Irrigation	298	1	\$ 56,679
San Juan River & Animas River	NM	Full Season Fallow	95	1	\$ 18,103
San Juan River	NM	Full Season Fallow	2901	1	\$ 635,242
Price River	UT	Alternative Cropping & Deficit Irrigation	58	1	\$ 10,992

Price River	UT	Full Season Fallow	923	1	\$	175,332
Price River	UT	Combo of Fallow & Split Season Deficit Irrigation	311	1	\$	59,157
Price River	UT	Full Season Fallow	372	1	\$	70,674
Price River	UT	Split Season Deficit Irrigation	228	1	\$	43,341
Price River	UT	Full Season Fallow	67	1	\$	12,675
Fontenelle Creek	WV	Split Season Deficit Irrigation	407	1	\$	77,330
Fontenelle Creek	WV	Split Season Deficit Irrigation	540	1	\$	102,600
Fontenelle Creek	WV	Split Season Deficit Irrigation	714	1	\$	135,660
Fontenelle Creek	WV	Split Season Deficit Irrigation	1,083	1	\$	205,770
Colorado River	CO	Combo of Fallow & Split Season Deficit Irrigation	3,178	1	\$	525,000
Colorado River & Fraser River	CO	Full Season Fallow	233	1	\$	44,300
Total:			11,408		\$	2,172,855

Appendix C – Example of a Water Quality project

Elkhorn Creek Forest Health Initiative Ben Delatour Scout Ranch Forest Restoration Project

Over the last decade and a half, Colorado's Front Range has experienced a series of uncharacteristically large and damaging wildfires that often result in record-setting costs to individuals and communities, including municipal water providers. The 2012 High Park Fire, for example, burned 87,284 acres of private, state and federal land west of Fort Collins and seriously impacted the Cache la Poudre watershed, one of two critical water sources for the city of Fort Collins. Rainstorms following the High Park fire washed heavy sediment and ash loads from burned hillsides into the river, forcing the city of Fort Collins to stop using the Poudre River as its source of municipal water for several months. Once they returned to this source, they had to implement additional water treatment measures, including activated carbon treatment to remove the smoky taste and smell that still remained in the water.

Proactive forest management is important in protecting the reliability and quality of our drinking water supplies. The Elkhorn Creek Forest Health Initiative in the Cache la Poudre watershed is implementing a forest restoration project at the Ben Delatour Boy Scout Ranch to demonstrate the tools and techniques needed to protect water supplies through forest management. Management efforts like thinning and prescribed burning return forests to healthy and resilient conditions, preventing the destructive consequences of high-severity fires like sedimentation of water supplies. The project is expected to reduce wildfire impacts to Elkhorn Creek, an important tributary to the Poudre River. Forest management to date at the Scout Ranch has included forest thinning, pile burning, and broadcast prescribed fire on approximately 150 acres. The project has brought together a wide range of partners to address wildfire impacts to water resources, including the Coalition for the Poudre River Watershed, the Nature Conservancy, the Wildlands Restoration Volunteers, the Larimer County Youth Conservation Corps, and the Peaks to People Water Fund.

Anheuser-Busch Inbev funding: \$150,000

Great Outdoors Colorado funding: \$75,000

Peaks to People Water Fund funding: \$100,000

Department of Natural Resources Wildfire Risk Reduction Grant funding: \$95,000

Total project cost: \$420,000