

MEMORANDUM

April 6, 2017

TO: CRWCD Board of Directors

CC: Eric Kuhn, General Manager

FROM: Dave Kanzer, P.E.
Hunter Causey, P.E.
Alesha Frederick

RE: **2017 Annual Grant Program Recommendations: Staff Review Committee and Executive Committee**

*This memo summarizes staff and Executive Committee recommendations for financial assistance pursuant to the River District's 2017 Annual Grant Program. It is **requested that the Board adopt (or amend, as desired) these recommendations by formal motion to direct staff to enter into contracts with selected recipients.***

On March 16, the Executive Committee (EC) of the Board of Directors met to review and analyze qualifying applications for funding under the Annual Grant Program. After a detailed discussion and evaluation process, the EC affirmed staff review committee recommendations and, in turn, **recommends that 8 projects receive funding, including 4 large grants** (total project costs greater than \$60,000) **and 4 small grants** (total project costs less than or equal to \$60,000). This recommendation fully expends the \$150,000 that is budgeted in the 2017 River District Capital Fund for the Annual Grant Program.

The recommended projects are listed in Table 1 and the geographic distribution of these projects are shown in Figure 1. The full list of projects are listed and briefly described in Table 2. All of the grant proposals are available by password-protected download by Board members, as desired, from the River District website (previously provided standard instructions should be used).

The reviewed grant applications were very good and represented a diverse mix of water supply development, protection, improvement and related projects. In total, the Annual Grant Program received **34 qualifying requests for over \$1.3 million** for a wide range of projects **with total project costs between \$5,346 and \$1.4 million**. The total of the grant requests is over *nine times* the \$150,000 available and therefore, it was extremely difficult for the review committees to limit the deserving and high quality proposed grant-funded projects without exceeding the available budget.

Summary of Review Committee Process and Recommendations:

On February 27, the Staff Grant Review Committee (including Hunter Causey, Mike Eytel, Alesha Frederick, Dave Kanzer, Don Meyer, Martha Moore, Lorra Nichols, Ian Philips and Audrey Turner) met to review, analyze, and rank the qualified grant applications. Each staff reviewer completed a standardized ranking score sheet to evaluate the grant applications for the following categories: *appropriateness, project description, budget, funding, milestones and timelines, technical adequacy, project effectiveness, sponsor's capability, cost effectiveness and participation*. To further help differentiate the projects, staff tried to also capture the intangible nature of the proposed projects (e.g., *project significance, uniqueness, transferability, and perceived "ripeness"*). The maximum possible individual score was 110; the staff scores were averaged and sorted. The staff review committee rankings for most proposals were predominately consistent.

Pursuant to previous Board direction, the proposed grant projects were divided into two category 'bins' for evaluation based upon size and total project costs to ensure that larger projects compete only amongst larger projects and that smaller projects compete primarily against similarly sized projects.

Subsequently, on March 16, the Executive Committee of the Board met to further review the grant applications and to consider the staff recommendations. Tom Alvey, David Merritt, Bill Trampe, and Marti Whitmore met at the River District office and constituted a quorum while Tom Gray and Kathy Chandler-Henry joined via teleconference, as non-voting members. **The Committee concurred with the staff recommendation and recommends 8 water resources projects for grant funding, shown in Table 1.** By fully funding the first 7 recommended projects and partially funding the Tyler Snyder Pivot Irrigation Project, a total of \$150,000 of grant funding would be obligated. (Due to limitations of available funding, the Tyler Snyder pivot irrigation project is being recommended for \$25,629.23 of their requested \$60,000, this amount represents the amount of remaining funding available after the first 7 recommended projects would be fully funded.)

TABLE 1: YEAR 2017 GRANT PROGRAM – Staff Review and Executive Committee Recommendations

Project Name	Project Sponsor	Complete	County	Project Cost	Grant Amount Recommended
Cedar Mesa Ditch Company Head Gate Repair	Cedar Mesa Ditch Company	Yes	Delta	\$16,900	\$6,380
Eagle-Vail Riparian Enhancement Project #2	Eagle River Watershed Council, Inc.	No	Eagle	\$31,391	\$9,278
Grand Valley Project- Government Highline Canal Top 500 Ft Lining Project	Grand Valley Water Users Association	No	Mesa	\$800,000	\$50,000
Roseman Ditch Company - Ladder pipe, repair and maintenance	Roseman Ditch Company	Yes	Garfield	\$7,316	\$3,658
Harvey Gap Dam Outlet Repairs and Improvements, Phase 1 (Completed).	Silt Water Conservancy District	Yes	Garfield	\$134,527	\$33,632
Glenwood Ditch Inlet Structure Repair - 2016	Thompson Glen Ditch Company	Yes	Garfield	\$5,346	\$2,673
Maryvale Reservoir - Construction and Installation of Measurement and Recording Equipment	Town of Fraser	No	Grand	\$75,000	\$18,750
Phase 2: Pivot Irrigation Sprinkler Project for Tyler Snyder on the Fish and Cross Ranch	Tyler Snyder	Yes	Routt	\$380,000	\$25,629*

* Partial grant funding based upon limited funds available

All of the 34 qualified grant applications that were received are summarized in Table 3 included at the end of this memo, in alphabetical order, with the recommended projects shown in bold type. The full suite of all grant applications, complete with all submitted info have been archived electronically and will be available for review during the Board meeting.

Discussion of Annual Grant Program Eligibility and Guidelines

The 2017 Annual Grant program, is being operated under the revised, updated and combined operating guidelines and criteria. These guidelines were reviewed and approved by the Board at the 2017 October quarterly meetings. While the guidelines and policies were altered and reformatted, the basic program has remained primarily unchanged. Grant applicants must be located within the physical boundaries of the Colorado River District and generally are eligible for up to 25% funding of the total project costs.

Additionally, grant applicants must meet one or more of the multiple objectives of the grant program. Projects should *promote beneficial use of water for agricultural, municipal, industrial, and other purposes; watershed management activities; water quality enhancement projects; and/or water use efficiency enhancement projects. Ranking priorities are given to those projects that utilize and/or preserve pre-Colorado River Compact water rights.* The published policies and guidelines state that:

“Projects eligible for funding should generally address one or more of the following*:

1. *Development of a new water supply*

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2. *Improvement of an existing water supply system*
 3. *Measures to improve instream water quality*
 4. *Water use efficiency improvements*
 5. *Sedimentation reduction; and/or*
 6. *Implementation of watershed and riparian management actions*

** Priority will be given to those projects that utilize and/or preserve pre-Colorado River Compact water rights (those rights that were put to use before 1922)."*

All grant practices and related information was combined and formatted into "[Annual Grant Program Operating Guidelines and Criteria](http://www.coloradoriverdistrict.org/wp-content/uploads/2016/11/annual-grant-program-standard-guidelines-and-criteria-pdf-.pdf)" that is available on the River District website (<http://www.coloradoriverdistrict.org/wp-content/uploads/2016/11/annual-grant-program-standard-guidelines-and-criteria-pdf-.pdf>)

Additional Discussion

During the Executive Committee meeting, members identified several topics for potential further discussion with the River District Board:

- Funding level for Annual Grant Program: Some members stated a desire to boost the Grant Program funding to \$250,000, subject to annual budget limitations;
- Adding ranking priority for Tier 1 Basin Implementation Plan (BIP) projects: the Staff Review committee recommended that the Tier 1 list of projects be added as a consideration; consensus was not reached with the EC;
- Funding efficiency improvements: concerns persist regarding appropriateness of funding irrigation efficiency projects that may adversely impact return flow amount, timing and location, no consensus was reached.

In light of budget limitations, the Annual Grant Program has operated at a funding amount of \$150,000 for the past two years, down from a high of \$250,000 per year. With the popularity and the significant demand of the grant program, this funding pool gets allocated quickly and many deserving projects go unfunded; less than one quarter of applications during the past two years have been selected compared to 38% during years with additional available funding. Table 2 shows a historical summary of the grant program applications and expenditures.

During the review committee meeting, staff suggested that BIPs could be considered when evaluating applications. The Executive Committee briefly discussed, noting the potential value, and identifying several concerns. Benefits include funding projects that are consistent with the broader goals of each basin. Drawbacks include creating conflicting evaluation measures due to differences in BIP goals. Inclusion could also create redundancy because the evaluation criteria are already largely consistent with the BIPs.

Lastly, when discussing the proposed irrigation efficiency projects (approximately 3 large scale sprinkler projects were proposed with one being recommended), the Committee discussed the merits and problems associated with such projects. Members pointed out that conversion from flood to sprinkler or pivots can have unintended consequences including reducing return flows,

dewatering riparian areas, and increasing consumptive use. Members also pointed out the River District may be sending mixed signals if we are simultaneously funding efforts to decrease consumptive use, under some initiatives like the Water Bank Work Group and System Conservation Pilot Project, while funding irrigation efficiency projects that may expand consumptive use in water short areas.

Conclusion

Amongst grant funding programs, the River District program continues to be unique in several ways, including the funding of completed projects, the potential funding of projects that expand irrigated acreage, and its flexibility and user-friendly nature. Although the staff and board continue to refine the application, review, ranking and approval processes, the grant program appears to continue to be an excellent way to perform outreach to the River District's constituents.

Table 2: Historical Summary of Grant Program

<i>Year</i>	<i># Applied</i>	<i># Awarded</i>	<i>\$ Requested</i>	<i>Awarded</i>	<i>Contracted / Est. Paid to Date</i>
1998	11	8	\$121,368	\$80,118	\$80,118
1999	17	14	\$180,381	\$137,371	\$119,114
2000	29	21	\$275,922	\$177,335	\$162,283
2001	35	16	\$313,396	\$150,833	\$150,833
2002	59	17	\$507,656	\$173,529	\$160,987
2003	64	14	\$663,342	\$157,800	\$157,800
2004	42	17	\$376,309	\$157,639	\$157,639
2005	36	16	\$351,121	\$148,941	\$148,941
2005 ⁺	3	3	\$165,336	\$120,000	\$90,000*
2006	35	12	\$369,961	\$158,295	\$156,600
2007 ⁺	11	2	\$1,143,502	\$150,000	\$150,000
2008	35	12	\$422,421	\$150,828.62	\$113,329
2009 ⁺	17**	3	\$1,279,656**	\$150,000	\$146,858
2010 ⁺⁺	39	11	\$1,344,662	\$250,000	\$239,454
2011 ⁺⁺	24	11	\$1,394,406	\$249,658	\$216,024
2012#	26	13	\$991,107	\$245,855	\$209,252
2013	33	13	\$1,570,534	\$241,766	\$238,374
2014	35	11	\$1,509,603	\$250,338	\$205,088
2015	42	14	\$1,667,350	\$250,000	In progress
2016	35	8	\$1,187,837	\$150,000	In progress
2017	34	8	\$1,308,546	\$150,000 (recommended)	In progress
Totals	662	244	\$17,144,416	\$3,700,307	\$2,902,694

⁺ Large Grant Program only

⁺⁺ Combined Grant Program

Two applicants declined their awards

*A Grant in the amount of \$30,000 was terminated due to non-completion of originally designed project; proposed changes to the original grant by the grantee were deemed unacceptable

**This does not include two grant applications that were deemed ineligible for the Large Grant Program because the program did not fund completed projects at that time

TABLE 3: 2017 ANNUAL GRANT PROGRAM – LIST OF PROPOSALS RECEIVED AND REVIEWED BY STAFF AND EXECUTIVE COMMITTEES

No.	Project Sponsor	Project Name	Project Description	Complete?	County	Project Cost	Requested	Max Allowed	Small or Large	Staff Recommendation
1	Bobby George	G Five Pipeline	Add 150+/- of irrigated ground	No	Routt	\$ 690,370	\$ 150,000	\$ 150,000	Large	NO
2	Cedar Mesa Ditch Company	Cedar Mesa Ditch Company Head Gate Repair	Concrete repairs and reinforcement of Surface Creek diversion head gate	Yes	Delta	\$ 16,900	\$ 6,380	\$ 6,380	Small	YES
3	Dines Family Holdings LLLP	Dines Irrigation Project	Partially renovate an existing irrigation ditch (Huggins #2) in order to comply with current water regulations' to help regulate water evaporation in shoulder months; and to prevent downstream soil erosion and flooding.	No	Grand	\$ 60,000	\$ 15,000	\$ 15,000	Small	NO
4	Eagle County Conservation District	Eagle County CoAgMet Station project	To install a CoAgMet Station in order to provide a network of information regarding weather and crop water use data. It is our goal to utilize this data for better water use and irrigation scheduling.	No	Eagle	\$ 20,000	\$ 7,500	\$ 7,000	Small	NO
5	Eagle River Watershed Council, Inc.	Eagle-Vail Riparian Enhancement Project #2	Improve instream water quality by revegetating areas within the project scope with native plants	No	Eagle	\$ 31,391	\$ 9,278	\$ 9,278	Small	YES
6	Fairway Pines Estates Owners Association	Fairway Pines Water Storage Project	Excavation of new storage pond and expansion of existing pond	No	Ouray	\$ 293,600	\$ 73,400	\$ 73,400	Large	NO
7	Gold Medal Ranch, LLC	New Beaver Dam Ditch Head-Gate Structure	The proposed project will accurately divert 1.0 c.f.s. to the downstream landowner. Currently there is no diversion structure in place.	No	Grand	\$ 151,866	\$ 33,373	\$ 37,966	Large	NO
8	Gold Medal Ranch, LLC	Beaver Dam Ditch / Eisenhower Ditch Confluence Flume	The proposed project will be the installation of a partial flume to accurately divert the adjudicated .5 c.f.s. from the Beaver Dam Ditch to the Eisenhower Ponds Ditch.	No	Grand	\$ 18,333	\$ 6,667	\$ 6,667	Small	NO
9	Gold Medal Ranch, LLC	Beaver Dam Ditch South Lateral Flume Installation	Primary objective will be to install a flume to accurately measure the diversion of 1 c.f.s. from the Beaver Dam ditch into the Byers Peak Ranch West South lateral. The beaver dam ditch can be conveying up to 6 c.f.s.	No	Grand	\$ 18,868	\$ 6,774	\$ 6,774	Small	NO
10	Gold Medal Ranch, LLC	Eisenhower Ponds Water Level Control Structure Installation	The proposed replacement of existing outlet structures. The proposed structures are designed to allow for management of water surface elevations with the removal of stop-logs or check boards	No	Grand	\$ 86,766	\$ 20,357	\$ 21,691	Large	NO
11	Gold Medal Ranch, LLC	Irrigation Pipe from Beaver Dam Ditch Confluence to Eisenhower Pond #1	Installation of irrigation pipe from Beaver Dam Ditch Confluence to Eisenhower Pond #1	No	Grand	\$ 152,407	\$ 33,481	\$ 38,102	Large	NO
12	Gold Medal Ranch, LLC	Irrigation Pipe from Beaver Dam Head-Gate to Beaver Dam Ditch/Eisenhower Ditch Confluence	Installation of irrigation pipe from Beaver Dam Head-Gate to Beaver Dam Ditch/Eisenhower Ditch Confluence	No	Grand	\$ 126,826	\$ 28,365	\$ 31,706	Large	NO
13	Gold Medal Ranch, LLC	St. Louis Creek Stream Restoration Project	Focuses on establishing stabilized banks, reducing erosion, increasing riparian vegetation, increasing low flow channelization and high flow floodplain connectivity, increased recruitment from the Fraser river, increased spawning and overwintering habitat and more efficient use of diverted water in much of the project reach as well as improves the overall function of the aquatic site.	No	Grand	\$ 179,769	\$ 38,954	\$ 44,942	Large	NO
14	Grand County Irrigated Lands Company	Vail Ditch Flow Monitoring Improvements	Improve water monitoring by replacing a flume with a prefabricated Parshall flume	No	Grand	\$ 27,000	\$ 8,400	\$ 8,400	Small	NO
15	Grand Valley Water Users Association	Grand Valley Project- Government Highlight Canal Top 500 Ft Lining Project- Canyon Canal Improvement	The GVVUA and OMID are improving the hydraulic efficiency of the top 500 feet of the Canyon Canal by installing a PVC liner and a shotcrete wear surface. These improvements are expected to result in the accommodation of at least 100 cubic feet per second (cfs) more of the legal water rights adjudicated for this structure and increase the diversion ability and efficiency during times of river flow below 2,250 cfs. This project also provides connectivity and support to the on-going regional watershed and water quality efforts in the Grand Valley.	No	Mesa	\$ 800,000	\$ 50,000	\$ 150,000	Large	YES
16	Highland Meadow Estates at Castle Peak Ranch HOA and Sorrel Hills Mutual Ditch Company	Irrigation Pipeline	A pipeline will be installed to prevent erosion and losses of water to make possible proper management of irrigation water and to reduce water conveyance losses.	No	Eagle	\$ 200,000	\$ 50,000	\$ 50,000	Large	NO
17	James Barry	Barry Water Supply and Pump Station	Provide a secure source of irrigation water to a ten acre tract	Yes	Garfield	\$ 14,944	\$ 5,900	\$ 5,989	Small	NO
18	Middle Colorado Watershed Council	Butler Creek Riparian Vegetation Restoration	Riparian restoration	No	Garfield	\$ 30,090	\$ 5,000	\$ 9,018	Small	NO
19	Ouray Ranch Homeowners and Ouray Ranch Anglers Club	Ouray Ranch Stream Restoration Project	The Ouray Ranch Anglers Club hired a stream improvement company to augment and revitalize the major stream improvement work completed in 1981 as part of the ranch's original Habitat Improvement Plan.	Yes	Grand	\$ 98,000	\$ 24,500	\$ 24,500	Large	NO
20	Raftopolis Land Co. LLC DBA Two Bar Sheep Co.	Pivot Irrigation System on MCR 21, North of Headquarters	Converting from flood irrigation to a pivots	No	Moffat	\$ 151,230	\$ 37,808	\$ 37,808	Large	NO
21	Ranch Domestic Water Company, Inc.	My Way Subdivision Potable Water Connection to Town of Colbran	Connecting the area being served by the Ranch Domestic Water Company (Grove Creek area) onto the Town of Colbran's potable water system for a new sustainable water supply. Furthermore, Ranch Domestic's water system will undertake water system improvements to ensure its operating efficiently, effectively, sustainably and reliably while meeting all of the CDPHE, WQCD requirements.	No	Mesa	\$ 580,300	\$ 145,075	\$ 145,075	Large	NO

TABLE 3: 2017 ANNUAL GRANT PROGRAM – LIST OF PROPOSALS RECEIVED AND REVIEWED BY STAFF AND EXECUTIVE COMMITTEES

No.	Project Sponsor	Project Name	Project Description	Complete?	County	Project Cost	Requested	Max Allowed	Small or Large	Staff Recommendation
22	Robinson Ditch Company	Upper Robinson Ditch Piping Project	Piping project to alleviate safety concerns, improve the flow and decrease water loss.	Yes	Eagle	\$ 418,313	\$ 22,183	\$ 104,578	Large	NO
23	Roseman Ditch Company	Roseman Ditch Company - Ladder pipe, repair and maintenance	Repair of trestle	Yes	Garfield	\$ 7,316	\$ 3,658	\$ 3,658	Small	NO
24	Sam McIntyre	McIntyre Full Circle Pivot	Installation of a pivot	No	Moffat	\$ 1,373,000	\$ 34,325	\$ 150,000	Large	NO
25	Silt Water Conservancy District	Harvey Gap Dam Outlet Repairs and Improvements, Phase 1 (Completed).	To preserve pre-Colorado River Compact water rights associated with Harvey Gap Dam, by repairing and improving the outlet works infrastructure.	Yes	Garfield	\$ 134,527	\$ 33,632	\$ 33,632	Large	YES
26	Silt Water Conservancy District	Harvey Gap Dam Outlet Repairs and Improvements, Phase 2 (Proposed)	To preserve pre-Colorado River Compact water rights associated with Harvey Gap Dam, by repairing and improving the outlet works infrastructure.	No	Garfield	\$ 136,373	\$ 31,813	\$ 34,093	Large	NO
27	Tamarisk Coalition	DRRP: Towards Riparian Health and Community Stewardship	Implementation of watershed and riparian management actions	No	Mesa	\$ 591,000	\$ 14,500	\$ 147,750	Large	NO
28	Thompson Glen Ditch Company	Glenwood Ditch Inlet Structure Repair - 2016	Improve an existing water supply system	Yes	Garfield	\$ 5,346	\$ 2,673	\$ 2,673	Small	YES
29	Town of Fraser	Elk Creek Ditch #2 Construction Installation of New Diversion Structure, Measurement & Recording Eq.	Construct and install a surface water diversion structure on the main stem of Elk Creek at the Elk Creek Ditch No. 2 point of diversion and to install associated measurement and recording equipment in order to accurately monitor and administer diversions under Fraser's Elk Creek Ditch water rights from Elk Creek.	No	Grand	\$ 44,500	\$ 13,800	\$ 11,900	Small	NO
30	Town of Fraser	Maryvale Reservoir - Construction and Installation of Measurement and Recording Equipment	To construct and install surface water measurement equipment at Maryvale Reservoir in order to accurately monitor and administer the augmentation plan requirements of the pond.	No	Grand	\$ 75,000	\$ 18,750	\$ 18,750	Large	YES
31	Town of Frisco Water Department	Well #7 Peninsula Recreation Area	Development of well	No	Summit	\$ 1,327,700	\$ 150,000	\$ 150,000	Large	NO
32	Town of Parachute	Utility Line Relocation	Replacing 1350 LF of deteriorating asbestos concrete water line with new PVC line.	No	Garfield	\$ 619,550	\$ 150,000	\$ 150,000	Large	NO
33	Tyler Snyder	Phase 2: Pivot Irrigation Sprinkler Project for Tyler Snyder on the Fish and Cross Ranch	These improvements include measuring devices and head gates, as well as head gate repair and many hours on a backhoe cleaning ditches for water rights dating back to the 1880s. Conserve water in order to mitigate rising water costs of leased water from the Upper Yampa Water Conservancy District and to save consumptive use on water owned by Fish and Cross Ranch to help in drought situations, all while increasing the health of the soil and plant life.	Yes	Routt	\$ 380,000	\$ 60,000	\$ 95,000	Large	YES
34	Water User's of Lateral Ditch #110, Inc.	Piping Main Lateral	Piping main lateral	No	Mesa	\$ 120,500	\$ 17,000	\$ 30,125	Large	NO
	Summary				Totals	\$ 8,981,784.62	\$ 1,308,545.54	\$ 1,811,855.41		
					Max	\$ 1,373,000.00	\$ 150,000.00	\$ 150,000.00		
					Min	\$ 5,346.00	\$ 2,673.00	\$ 2,673.00		
					Average	\$ 264,170.14	\$ 38,486.63	\$ 53,289.86		
					Median	\$ 130,676.19	\$ 23,341.69	\$ 32,669.05		