



**MEMORANDUM**  
**APRIL 2, 2019**

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**TO:** BOARD OF DIRECTORS

**FROM:** SONJA CHAVEZ

**SUBJECT:** WATERSMART WATER MARKETING STRATEGY GRANT PROPOSAL 2019

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**ACTION:**

- 1. AUTHORIZATION TO PROCEED WITH A GRANT PROPOSAL OF UP TO \$400,000.00.**
- 2. AUTHORIZE DELEGATION OF AUTHORITY TO THE GENERAL MANAGER TO COMMIT COST-SHARE (CASH OR IN-KIND) RESOURCES OF THE RIVER DISTRICT IN THE AMOUNTS NECESSARY TO MATCH ANY GRANT AWARD, UP TO A TOTAL OF \$150,000, SUBJECT TO FUTURE ANNUAL APPROPRIATION BY THE BOARD.**
- 3. RESOLUTION OF SUPPORT**

**STRATEGIC INITIATIVE(S):**

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| <b>1. Outreach and Advocacy: B, C, E</b>   | <b>7. Water Needs / Project Development: C</b> |
| <b>2. Outreach in All Basins: B</b>        | <b>8. Colorado's Water Plan: B, D</b>          |
| <b>3. Climate Change: B, C</b>             | <b>11. River District Staff Resources</b>      |
| <b>4. Colorado River Supplies: B, C, D</b> | <b>12. Financial Sustainability: A</b>         |
| <b>6. Agricultural Water Use: A, B, C</b>  |  |
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**Background:** WaterSMART is a competitive federal grant program administered by the Bureau of Reclamation. The WaterSMART Water Marketing Strategy Grant leverages Federal and non-Federal funding to work cooperatively with local, state and tribal entities to support collaborative planning efforts to develop water market strategies that will proactively address water supply reliability and increase water management flexibility in order to help water users meet demands efficiently in times of shortage, thereby helping to prevent water conflicts and expand the lines of communication among community stakeholders. A “water marketing strategy” is a *framework* for implementation of water marketing activities such as: 1) outreach and partnership building; 2) planning activities (e.g., hydrologic, economic, legal and other types of analyses); 3) associated pilot activities integral to the development of a strategy; and 4) development of a water marketing strategy document describing how water marketing activities will be implemented.

The River District has been taking a strong leadership and advocacy role with regard to evaluating, educating, and seeking public input into a potential Demand Management Program. Those efforts have included the various phases of the Risk Study Hydrologic Modeling Analyses, educating and informing our elected officials and general public, advocating for utilizing sound data to inform our decision making and developing a framework that results in proportional responsibility for

implementing demand management in a manner that is either beneficial to West Slope water users or at least does no harm.

**Request:** Staff proposes that the Colorado River District submit a proposal for up to \$400,000 to Reclamation’s WaterSMART Water Marketing Strategy Grant Funding Opportunity (FY 2019) in support of a 3-year project. The grant proposal would be regionally defined to the Western Slope and would support the following Demand Management activities:

- Phase III and future phase(s) of Hydrologic Risk Study Modeling analyses;
- Public outreach and West Slope stakeholder collaboration; and
- Secondary Economic Impact Study.

The grant terms require a minimum 1:1 match contribution from the grant recipient or partners in the form of cash or in-kind contribution. The grant has a one-year “look back” period that allows an applicant to count previously expended funds in support of the project as in-kind match. Matching funds would be provided through a combination of current and anticipated future cash expenditures and in-kind services being provided by the River District and its cost share partners (e.g., SWWCD, TNC, Tri-State Generation).

Thus, staff also requests that the Colorado River District delegate authority to the General Manager to commit future River District cash or in-kind resources as match to the grant award, up to \$150,000 for the project purposes discussed below, subject to actual annual appropriation by the Board. The exact numbers involved in this grant are a bit of a moving target and will not be fully determined until the grant is received and specific project or budget allocations are made. An example budget is presented below.

Example WaterSMART Budget: DRAFT Subject to Change								
Activity	2019		2020		2021	SUMMARY		
	CRWCD	Partners	CRWCD	Partners	CRWCD	TOTAL LOCAL MATCH	WaterSMART Request	GRAND TOTAL
Risk Study Hydrologic Modeling (Phase III)	\$75,000	\$75,000				\$150,000	\$50,000	\$200,000
Risk Study Future Phases			\$15,000	\$25,000		\$40,000	\$100,000	\$140,000
Secondary Econ Impact Study	\$17,500	\$77,500	\$12,500	\$12,500		\$120,000	\$50,000	\$170,000
Stakeholder Outreach/Public Input	\$5,000		\$5,000		\$5,000	\$15,000	\$75,000	\$90,000
<b>TOTALS:</b>	<b>\$97,500</b>	<b>\$152,500</b>	<b>\$32,500</b>	<b>\$37,500</b>	<b>\$5,000</b>	<b>\$325,000</b>	<b>\$275,000</b>	<b>\$600,000</b>

<b>CRWCD Match Total:</b>	<b>\$135,000</b>
<b>Partner Match Total:</b>	<b>\$190,000</b>
<b>TOTAL MATCH:</b>	<b>\$325,000</b>

Benefits of pursuing a grant proposal include the ability to:

- 1) Leverage current and future cash and in-kind contributions;
- 2) Support future staff resource contributions to the projects;
- 3) Obtain additional support from outside consultants (i.e. professional public facilitator);  
and
- 4) Ensure that there are adequate resources to carry out comprehensive analyses, thorough community stakeholder involvement processes, and methods for sharing results.