COLORADO RIVER WATER CONSERVATION DISTRICT

Protecting Western Colorado Water Since 1937

MEMORANDUM
9 JULY 2004

TO: BOARD OF DIRECTORS

FROM: DAVID MERRITT

RE: COLORADO RIVER DISTRICT GRANT PROGRAM

BACKGROUND: In 1997, largely in response to successive requests from Upper Yampa Water Conservancy District for "participation" in some of the ditch and headgate improvements they were embarking upon, staff were directed to develop a uniform policy for considering grant requests, and to implement it on a district-wide basis. As you can see from the table below, over $1 Million dollars has been awarded to 107 projects in the past seven years, with nearly $1,000,000 actually placed under contract. This makes the average grant slightly less than $10,000, an amount which is often quite important in whether or not the project proceeds.

HISTORY OF AMOUNT AWARDED

YEAR	# APPLY	# AWARDED	$ REQUEST	$ AWARD	$ CONTRACT
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
TOTAL	***257***	***107***	***$2,438,374***	***$1,034,625***	***$988,774***

In the initial grant decision, the Board set a policy of appropriating the interest which had

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accrued in the Capital Projects Fund over the past year for the grants in the subsequent year. However, with widely flucuating interest rates, and other transfers in and out of the fund for purchases or disposal of property, a decision was made to appropriate a level sum each year, on the assumption that it would balance out in the long run.

The grant cap was initially set at $15,000, an amount which has not changed over the past seven years. What has changed is the "match" ratio. Initially, the program granted 20% of project cost, up to a maximum project cost of $75,000. This was changed after the second year to grant 50% of the first $10,000 in project cost, and then 20% of the subsequent $50,000, still allowing only a total grant of $15,000. This provided a proportionally larger benefit to the smaller projects, and has resulted in some very good, small projects. This are either individuals, small ditch or homeowners associations, or small town projects.

Project Category: ***Indicate the appropriate category(s) for the project. The acceptable categories are:***

(1) Development of a new water supply;
(2) Improvement of an existing water supply system;
(3) Improvement of instream water quality;
(4) Measures which promote water use efficiency;
(5) Sediment reduction;
(6) Implementation of watershed management actions; and
(7) Tamarisk control measures

The type of projects eligible for grants was developed in the first year of the grant program, and largely reflected the Board's philosophy that the grants should go towards "turning dirt", not additional studies. The measures for which we have seen grants awarded are largely agricultural, with headgate improvement, ditch piping, and on farm delivery systems at the top of the list. Assistance with two center pivot systems has been provided, both in Moffat County, and we have provided assistance to a number of small dam rehabilitation measures. These measures, besides improving the efficiency of delivery of the water supply, also often have the added benefit of improving stream water quality by reducing salt pick up associated with excess return flows.

However, #6, Watershed Management Actions has been broadly interpreted as encompassing studies, surveys, assessments, education activities and the like. Because of that liberal interpretation, a number of projects have been submitted under this category. Occasionally, this has resulted in some projects being either recommended for funding by the staff, or even, actually being funded by the Board. This is an area which requires clarification; ie does the Board wish to keep this category and thus the flexibility to fund this type of project, or should it be eliminated.

In the 2004 Grant Cycle, the category of "Tamarisk Control Measures" was added, and we awarded two grants in this cycle. The Board should decide whether or not it wishes to continue this category in 2005.

There has been discussion in the past over "public purpose" ie should the District be spending public funds in assisting individual water users, or even in assisting ditch companies. The end result of the discussion has been that the potential for significant improvement in water quantity and water quality in the stream lies with the agricultural water users. There is only so much improvement which can be made in municipal water use, especially in Western Colorado.

The success of the program has been in the simplicity of the application process, and in many cases, with coordination with NRCS. Many of our best projects come in with the initial assessment and engineering done by the NRCS, which assists in the cost proposal and in the quality of the design. The program has provided significant benefits to many projects in Western Colorado, and has made improvements in local water management and water quality.