

## **GUIDELINES FOR FINANCIAL ASSISTANCE TO DEVELOP DROUGHT MITIGATION PLANS**

### **1. Background.**

Pursuant to the Water Conservation Act of 2004 HB 04 1365 the Office of Water Conservation and Drought Planning Office provides grants to covered entities and state or local governmental entities to develop drought mitigation plans that meet the provisions of 37-60-126 5 CR S and the Guidelines adopted by the CWCB Board for Drought Mitigation Planning.

A drought mitigation plan can be defined as a strategy or combination of strategies for temporary supply management and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. Drought response measures in this context typically include mandatory restrictions on certain water uses water allocation or the temporary use of an alternative water supply. The main objective is to preserve essential public services and minimize the adverse effects of a water supply emergency on public health and safety economic activity environmental resources and individual lifestyles. Most important in developing a drought plan is to determine the actions and procedures for responding to a drought related water supply emergency before an actual water shortage emergency occurs.

### **2. Intent of the Board**

It is the explicit intent of the Board to work with water users and local entities to increase drought planning in the State by:

- Increasing the number of covered entities and state or local governmental entities with CWCB approved drought mitigation plans;
- Improving the nature and breadth of drought mitigation practices at the local level; and
- Increasing the amount of technical assistance that the CWCB provides to local entities.

With these objectives in mind the Board intends to administer the Grant program for purposes of providing assistance to the following...

- Covered entities or State or local entities that desire to improve update and/or create Drought Mitigation Plans;
- Entities, given expected growth trends, which either require or desire Drought Mitigation Plans; and
- Entities which sustained severe adverse impacts during the recent 2000-2003 drought

### **3. Definitions**

**Acre Foot:** The amount of water it would take to cover an acre of land to a depth of 1 foot approximately 325, 851 gallons.

**Board:** Means the Colorado Water Conservation Board as defined in §37-60-101,103 and 104, C.R.S.

**Board Office:** The Colorado Water Conservation Board's office is located at 1313 Sherman Street, 7th Floor, Room 721, Denver, CO 80203. The phone number is 303-866-3441. The facsimile number is 303-866-4474. The Board's website is <http://www.cwcb.state.co.us>.

**Colorado Water Conservation Board (CWCB):** A division of the Colorado Department of Natural Resources created in 1937. The Board's authority and role is defined in 37-60-101, et seq., C.R.S. The Mission Statement of the CWCB is to conserve, develop, protect, and manage Colorado's water for present and future generations.

**Covered Entity:** means each municipality, agency, utility, including any privately owned utility, or other publicly owned entity with a legal obligation to supply, distribute, or otherwise provide water at retail to domestic, commercial, industrial or public facility customers, and that has a total demand for such customers of two thousand acre feet or more.

**Local Governmental Entity:** means a county, municipality, city and county, water district, water and sanitation district, metropolitan district that provides water services, water conservation district, water conservancy district, or water authority.

**Drought Mitigation:** Those actions and programs that are used prior to and during periods of unusual water scarcity to reduce the occurrence and severity of water supply shortages, and manage water supply and water demand appropriately.

**Drought Mitigation Plan:** A document that indicates how an entity or set of entities will manage impacts of water shortages over the short or long term. It may contain information on coordinated drought monitoring, impact assessment, response to emergency drought problems, and mitigation of drought impacts.

**Drought Response:** Those actions taken during a drought to manage water supplies and water demand appropriately.

**Individual with the Authority to Commit Resources:** Any individual within the submitting entity that has the authority to commit the organization's resources for the development and implementation of a water conservation plan. Examples include the City or County Manager, Mayor, Executive Director of a Special District, City Councilperson, etc.

**Office:** means the Office of Water Conservation and Drought Planning created in section § 37-60-124.

**Plan Elements:** means those components of Drought Mitigation Plans that address actions and programs that may be undertaken by a submitting entity to develop, implement, monitor, review, and revise its Drought Mitigation Plan.

**Public Facility:** means any facility operated by an instrument of government for the benefit of the public, including, but not limited to, a government building, park or other recreational facility, school, college, university, or other educational institution, highway, hospital, or stadium.

**Retail Water Delivery:** means all water sales, except wholesale water sales, made by the covered or planning entity except wholesale water sales through installments, credit sales, or the exchange of property, as well as, the sale thereof for money; every such transaction for a consideration, condition or otherwise, constituting a sale; and/or the sale or furnishing of water.

**Submitting Entity:** means any covered entity or state or local entity that submits a Drought Mitigation Plan of Office review and approval.

**Water Conservation:** means water use efficiency, wise water use, water transmission and distribution system efficiency, and supply substitution. The objective of water conservation is a long-term increase in the productive use of water supply in order to satisfy water supply needs without compromising desired water services.

**Water Reuse:** Use of reclaimed water for a beneficial use constitutes water reuse. Direct water reuse includes treating wastewater and piping it directly into a water system without intervening dilution in natural water bodies. Indirect reuse includes an intermediate step between the generation of reclaimed water and reuse, which may be through discharge, retention, and mixing with another water supply.

**Water saving Measures and Programs:** includes any device, fixture, practice, hardware, or equipment that reduces water demands and a program that uses a combination of measures and incentives that provides for an increase in the productive use of a local water supply.

#### **4. Fund Application Process**

##### **a.) Eligibility Requirements-**

- i) Financial assistance may be provided to a covered entity which is defined as any Colorado municipality, agency, utility, including any privately owned utility, or other publicly owned entity with a legal obligation to supply, distribute, or otherwise provide water at retail to domestic, commercial, industrial, or public facility customers, and that has a current or future total annual demand for such customers of two thousand acre-feet or more.
- ii) Financial assistance may be provided to any state or local governmental entity, which is defined as any county, municipality, city and county, water district, water and sanitation district, metropolitan district that provides water services, water conservation district, water conservancy district, or water authority.

To apply, an applicant must demonstrate that:

- It is in fact a covered entity (as defined above); through the disclosure of its organizational structure its charter (or equivalent), and its annual retail water demand for the past five years; or that
- It is in fact a state or local governmental entity through the disclosure of its organizational structure, its charter (or equivalent), and its annual retail water demand for the past five years, if applicable.

**b) Application Submittal Requirements –**

To apply for financial assistance for development of a drought mitigation plan, any eligible entity may submit an application to the Office for consideration. Below are the requirements for the application submittal.

1. The name and contact information of the entity seeking the grant.
2. A list of the organizations and/or individuals including those hired or otherwise retained by the entity that will assist in preparation of the Plan, and a written statement of their role and contributions.
3. The identification of retail water delivery by the covered entity for each of the past five years (in acre feet or million gallons) and additional information characterizing past water use by sector (e.g., residential, commercial, industrial, irrigation) and source (e.g., surface water, groundwater, etc.)
4. Background characterizing the water system, potential growth and any other pertinent issues that relate to the stated evaluation criteria. Information provided must include:
  - a. Current, and if available, past per capita water use for the last five years and the basis for this calculation
  - b. Past, current and predicted population served by the entity and the source of this information and a timeframe for predicted population growth.
  - c. Estimated water savings goals to be achieved through implementation of the Plan
5. Description of the impacts experienced by the covered entity, or state or local governmental entity, during the 2000-2003 drought including a breakdown by water use sector (e.g. municipal, commercial, industrial, irrigation, etc.) of those adverse impacts and steps taken to address 2002-2003 drought impacts to date. Include short term and long term impacts, as well as social and economic impacts where applicable and as feasible.
6. Description of the Drought Mitigation Plan project development, also referred to as, the scope of work. The scope of work shall state the purpose and primary features of the Drought Mitigation Plan development project, end products to be delivered, and provide a detailed narrative of all tasks to be performed for completion of plan. Each task within the scope of work must:
  - be numbered
  - contain a detailed description of work to be performed (consideration should be addressed to the required Plan Elements outlined in the CWCB-approved *Guidelines for the Office to Review and Evaluate Drought Mitigation Plans Submitted by Covered Entities and Other State or Local Governmental Entities.*)

- identify clear timelines including when progress and final reporting will occur
  - identify those responsible for performing the task
  - identify funding sources, such as: grant monies, entity funds, in-kind services, and cash contributions, necessary to complete the task
7. A detailed budget identifying all costs associated with the Drought Mitigation Plan development project, including but not limited to hours spent on plan development (in-kind and cash), hourly wages, materials, and resources needed.
  8. The signature of an individual with the authority to commit the resources of the entity seeking the grant.
  9. Description of the Plan Public Review Process that will be implemented, pursuant to section 6e of the CWCB-approved *Guidelines for the Office to Review and Evaluate Drought Mitigation Plans Submitted by Covered Entities and Other State or Local Governmental Entities*, including the period of time the draft plan will be made publicly available, the method of public notice, and the process for soliciting public comments.

All funded projects will be required to provide progress reports to the Board, via the Board staff, at 25%, 50% and 95% completion of the Plan. The estimated dates of the progress reports must be included in the scope of work contained in the application. A progress report is a document that communicates the status of the project at a point in time. The following are items to consider when developing a progress report:

- the success of meeting previously identified goals and objectives
- obstacles encountered
- preliminary findings or accomplishments
- potential need for revisions to the scope of work and timelines

**c) Application Evaluation Criteria –**

Applicants that meet the eligibility requirement will be evaluated and ranked based on the following three major evaluation criteria (as reflected in Table 1):

- i) How likely is the applicant to develop and implement a Drought Mitigation Plan that **meets the intent of the Board** (see Section 2) and the Program by increasing meaningful water awareness and response in a drought emergency in the State of Colorado?
- ii) Does the applicant organization have the **capability to accomplish** the proposed work?
- iii) What **other considerations** does the applicant have that may influence the Board’s decision to award funds?

Other considerations that will be weighed by the Application Committee and/or the Board in awarding grants will include:

- i) Adequacy, reliability and stability of current and future water supplies
- ii) Demonstrated financial need
- iii) The entities location with respect to areas of current and future water needs as identified by the Statewide Water Supply Initiative (SWSI).
- iv) The amount of CWCB grant funds available

- v) Evaluation of how available water supplies are being utilized efficiently including collaboration & cooperation with other entities to share supplies

The degree to which an application meets the above evaluation criteria will be determined by utilizing the rating system (Table 1), and the Office evaluation checklist.

Projects from qualified applicants will be ranked based on these criteria for the purpose of determining which projects receive grant funds. The CWCB Board and Office have sole discretion in the determination of grant funding awards.

**Matching Funds –**

Entities requesting funding under this program must demonstrate the ability to provide 25% of the total Drought Mitigation Plan development project budget with matching funds, either as cash or in-kind services or through payment of consulting fees or any combination thereof. Any project partner contributing to the matching fund requirement must provide documentation, such as a letter, detailing the amount and purpose of their commitment. The Board will consider applications with a reduced level of matching funds; however these applicants will need to demonstrate financial hardship to be eligible for a Board waiver of the matching fund requirement.

*NOTE: The match is not on the grant amount requested but rather on the total Drought Mitigation Plan development project budget. (e.g. Total cost for Plan project = \$20,000. The minimum 25% match required for the Plan project = \$5,000. Therefore, the maximum grant request for the Plan project = \$15,000.)*

**d) Application Review and Ranking –**

An Applications Committee consisting of Colorado Water Conservation Board staff will review applications. The Applications Committee will first determine whether applications meet the eligibility requirements specified in the guidelines. The Committee will then evaluate and rank the applications in accordance with the Application Evaluation Criteria provided. Based on this ranking, the Applications Committee will select and award grants for applications under \$50,000. A listing of grant proposals that are highly ranked by the Applications Committee and exceed \$50,000 will be provided to the Board for review and approval, as appropriate.

**e) Application and Award Timing –**

Funds for financial assistance to covered entities, if available, will become available on July 1 of each year, at which time the Board will entertain applications. No funded project will be allowed to extend over more than one calendar year from the date of the grant award, if the grant funding source is from Severance Tax. Financial assistance will be awarded, at a minimum, in four phases over the course of the State's fiscal year, based on fund availability and applicant demand. Please review the table below for information on the four phases:

**Four phases that applications will be accepted and considered an award:**

<b>Phases</b>	<b>Applications received during the following periods:</b>	<b>Consideration for grant awards will be made by the OWCDP or the Board</b>
Phase 1	July 1 <sup>st</sup> to August 1 <sup>st</sup>	September
Phase 2	August 2 <sup>nd</sup> to October 1 <sup>st</sup>	November
Phase 3	October 2 <sup>nd</sup> to December 1 <sup>st</sup>	January
Phase 4	December 2 <sup>nd</sup> to February 1 <sup>st</sup>	March

**f) Payment –**

The CWCB will make payments during the term of the project from this grant program to the planning entity that has been awarded funds; as described by each applicant in their scope of work. All awarded grants will be bound by a Colorado State contract or purchase order that is in accordance with State fiscal rules. An applicant shall not commence work on any portion of the project funded by CWCB grant monies prior to the CWCB generating a purchase order or contract for the project. All payments will be based on invoices for work already completed. Also, please note according to State fiscal rules the Office has 45 days to process an invoice and send payment to the entity once an invoice is received. The individual payments do not need to be equal. The final payment will be at least 10% of the total grant award, which will not be released until completion and Office approval of a Final Drought Mitigation Plan.