STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721 Denver, Colorado 80203 Phone: (303) 866-3441 Fax: (303) 866-4474 www.cwcb.state.co.us



March 2010

Bill Ritter, Jr. Governor

James B. Martin DNR Executive Director

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Agricultural Emergency Drought Response Program Guidelines/Procedures

The Agricultural Emergency Drought Response Program (the Program) was created through S.B.02S-001 of the Colorado General Assembly. The purpose of the Program is to provide funding assistance to agricultural organizations, in the form of loans or grants, for emergency drought related water augmentation purposes.

A Management Committee composed of the Director of the Colorado Water Conservation Board, the State Engineer, the Executive Director of the Department of Natural Resources, and the Commissioner of Agriculture administers the Program. The Management Committee has established guidelines and procedures for loans and grants to carry out the Program goals. It is expected that \$1,000,000 in loan and grant funds will be available for any fiscal year in which a drought is declared in the State of Colorado.

The Program provides grants for the lease of augmentation water during drought years and loans for the purchase of water rights for augmentation purposes. The Program also provides loans for the construction of structures necessary for the delivery of augmentation water back to the river.

Grant amounts are calculated based on the actual costs of the leased augmentation water reduced by the ratio of the number of drought call days on the river to the average number of call days on the river.

Example: Lease cost of augmentation water = \$150,000

Number of drought call days = 150 Average number of call days = 65

Call day ratio = 150/65 = 2.31

Cost reduction = \$150,000/2.31 = \$64,935 Grant amount = \$150,000 - \$64,935

\$85,065 <<<<<<

The Program provides grant funds for engineering, attorney fees and other water acquisition administrative costs equal to 5% of the grant amount.

The Program does not provide grants for general operational expenses, maintenance of facilities, research or individuals.

Applications will be accepted at the Colorado Water Conservation Board at any time during the year and the approval process will be completed within sixty days following the application.

Grant funds will be disbursed following the execution of a State funding contract by the applicant. The disbursements will be made based on the grantee's request that will include all applicable receipts and documentation of the water lease or purchase.

Applications for grants from the Program must include at least the following information:

- 1. A cover letter detailing the amount of funds requested for the drought period. The person ultimately responsible for signing grant and loan contracts on behalf of the applicant must sign the letter.
- 2. The name, title, address, telephone number, and e-mail of the primary contact person.
- 3. A detailed description of the purpose of the grant as it pertains to an emergency drought related water augmentation purpose.
- 4. A copy of the official drought declaration for the affected Counties by the Governor, Federal Government or other official source.
- 5. A detailed line item budget for the project/purchase, showing all projected and actual expenditures including in-kind support.
- 6. The organization's current annual budget, along with a copy of the organization's annual report and financial statements.
- 7. Information about the organization seeking funds, including institutional and historical background, a list of the board of directors, the legal classification of the organization and a copy of your current determination letter indicating tax-exempt status.

All applications shall be prepared following the above guidelines, should be clearly marked AGRICULTURAL EMERGENCY DROUGHT GRANT APPLICATION, and submitted to the following:

Director of the Colorado Water Conservation Board 1313 Sherman Street, Room 721 Denver, Colorado 80203 303-866-3441