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To: Board of County Commissioners

Through: Jan Yeckes, Planning Division Manager, Public Works and Development

Prepared By:

Loretta Daniel, Long Range Planning Program Manager, Public Works and Development; Larry Mugler, Planner/Project Specialist, Public Works and Development

Presenter: Larry Mugler, Planner/Project Specialist, Public Works and Development; Loretta Daniel, Long Range Planning Program Manager, Public Works and Development

Subject:

Water Supply Study and Grant Application

Purpose and Request:

The purpose of this Study Session is to present a request to apply for grant funding from the Colorado Water Conservation Board for the Arapahoe County Water Supply Study and also to apply for technical assistance grant funding from the Sonoran Institute for policy updates and implementation related to water-efficient landscapes.

Background and Discussion: The purpose of the Water Supply Study is to understand present conditions of

water supply and demand, to identify efficiencies that can be achieved, and to take steps through comprehensive planning, development review, and regulatory processes to encourage best practices for water demand management, water efficiency and water conservation. The primary objective is to ensure that land use decisions are made based on balancing the efficient use of limited water supplies with the needs of new residents and industry to have a reliable water supply.

As part of the 2001 Comprehensive Plan, the firm of Leonard Rice Engineering was retained to complete a water study focusing on east county. This water study included an in-depth analysis of data and several recommendations, one of which was to implement a 200-year rule for proof of groundwater supply, which is more stringent than the State Engineer's 100-year requirement. This 200-year rule was implemented and is important in assessing water supply for new development projects in the county.

The water study was intended to project through a 20-year period, which has now expired, and an updated Comprehensive Plan was approved in 2018. The 2018 Comprehensive Plan recommends a policy change to a 300-year requirement for proof of water supply, which is similar to the requirement in Adams, El Paso, and Elbert counties. The proposed Water Supply Study would update data from the 2001 water study and make recommendations on implementing the proposed 300-year rule, and identifying efficient and sustainable water resources.

In 2020, PWD submitted a budget request for the Water Supply Study but was unsuccessful. Changes that have occurred and actions taken since the previous unfunded 2021 budget request include:

- Arapahoe County was selected by the Sonoran Institute for inclusion in the 2021 Growing Water Smart Workshop, held May 2021. Invited team members included representatives from Aurora Water, ACWWA, Byers Water District, Rangeview/Pure Cycle, and the Lost Creek Groundwater Management District. This has opened doors for partnerships with the water providers which will be useful for the Water Supply Study.
- At the time of 2022 budget submittal, Long Range Planning had submitted a 2021 Supplemental Budget Request for a portion of this work to assist with completing the Watkins-Bennett Area Vision Study (the 2021 supplemental includes some additional work specific to WBAVS scenarios, not part of this larger water study). The supplemental budget was approved by the Board on August 31, 2021. The staff is proceeding with retaining a consultant and this water resource study is expected to be complete in approximately four months.

Following the direction of the Executive Budget Committee in 2020, Planning Division staff explored various grant opportunities to assist with funding the Water Supply Study. Following discussions with basin roundtable and state representatives, the best approach is to apply for grants from the two programs offered by the Colorado Water Conservation Board (CWCBC). The Water Supply Reserve Fund (WSRF) program is funded by the CWCBC but the Metro Roundtable and South Platte Basin Roundtable are responsible for approving grant requests and forwarding them to the CWCBC for final approval. The second program is the Water Plan Grant program which is administered by the CWCBC. The Water Plan Grant program is a state-wide program while the WSRF grants are for projects and studies focused on basin water issues.

The three CWCBC grants that staff is proposing to apply for are:

\$50,000	Water Supply Reserve Fund grant from the Metro Basin Roundtable
\$50,000	Water Supply Reserve Fund grant from the South Platte Basin Roundtable
<u>\$50,000</u>	Water Plan Grant from the CWCBC
\$150,000	Total

It must be noted that the Colorado Water Conservation Board grants are competitive grants and there is no certainty about the amount of an award. The actual awards may be reduced to \$25,000 each as there is precedent from grants awarded last year that this may be the threshold amount. However, there have recently been additional funds added to these CWCB grant programs as a result of House Bill 21-1260 in order to implement the Colorado Water Plan. There is also a three-year timeframe for the expenditure of these additional funds. Both the additional grant funds and the compressed timeframe for the award of these grants may assist our grant requests.

The deadlines for WSRF grant applications are in October and the deadline for the Water Plan Grant application is December 1. The decisions for the award of all grant applications submitted to the CWCB will be made by its Board in March 2022. If we are successful in receiving the grants, funding could be available in May-June following approval of a contract between the County and the CWCB. We could then issue an RFP for the Water Supply Study and the staff estimates it will take about 12 to 18 months to complete the study.

The staff is proposing to apply for another grant which is an outcome of the County's participation in the Growing Water Smart workshop. The Sonoran Institute is offering technical assistance grants of up to \$10,000 to the jurisdictions that participated in a Growing Water Smart workshop. The staff sees this as an opportunity to obtain consultant input into new policies and regulations related to water conservation and landscaping. Again, these are competitive grants, but no match is required and the deadline for the application is October 15. Projects funded through this grant would have to be completed by December 2022.

Fiscal Impact: The estimated cost of the Water Supply Study is \$288,000. If the County is successful with the three grant applications in the amount of \$150,000, the amount to be funded by the County would be \$138,000. If the basin roundtables and the CWCB approve the grant requests at the lesser amount of \$25,000 each, the amount to be funded by the County would be \$213,000. Please note that the estimated cost of the Water Supply Study may be reduced by about \$10,000 to \$15,000 due to the recently approved water resource study for the Watkins/Bennett study area. For both the WSRF grants and Water Plan Grant, the County must demonstrate a minimum 25 percent match of the total grant request. Under both of the scenarios identified, the County would meet the match requirements. For reimbursement from the grant funds, invoices would be submitted to the CWCB regularly throughout the project duration according to the terms of the contract between the County and the CWCB.

Alternatives: The proposed water supply study consists of several elements. An alternative approach could be to separate the elements and undertake them in separate years; however, cost efficiencies would be lost through this approach. Funding alternatives would include full funding by the County or soliciting funds from water providers in the county. The staff has asked several water providers in the eastern part of the county whether they would financially partner with the County on this study, however, no provider has indicated they would do so. At this time, staff is moving forward with asking water providers to provide letters of support for the CWCB grant applications.

Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☒ Provide essential and mandated service

☒ Be community focused

Staff Recommendation: PWD Staff recommends that the Board of County Commissioners approve submitting grants to the CWCB and the Sonoran Institute and authorizing the Director of Public Works to sign the grant applications.

Concurrence: The Long Range Planning Program Manager (Loretta Daniel), Planning Division Manager (Jan Yeckes), and Public Works and Development Director (Bryan Weimer) concur with this recommendation and request for direction. The County Attorney's Office (Robert Hill, Senior Assistant County Attorney) has reviewed this Board Summary Report.