

Water Banking Group: Pilot Committee Group

October 29, 2018

DNR 11:00-12:30

ATTENDANCE:

Nathan Bracken: Smith Hartvigsen - nbracken@shutah.law
Jon Schutz: Mabey Wright & James - jschutz@mwjlaw.com
Emily E. Lewis: Clyde Snow – eel@clydesnow.com
Justin Record: USBOR – jrecord@usbr.gov
Peter Gessel: pgessel@utah.gov
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Elizabeth Kitchens: Nature Conservancy – ekitchens@TNC.ORG
Megan Nelson: Nature Conservancy – megan.nelson@TNC.ORG
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Lacey Moore: lmoore@utah.gov
Paul Barnett: paul.burnett@tu.org
Jani Iwamoto: jiwamoto@le.utah.gov
Avra Morgan: amorgan@usbr.gov

MEETING SUMMARY:

Representatives from the BOR Denver and BOR Provo Office presented information on the specifics of the BOR WaterSMART Grant Application process.

ASSIGNMENTS FOR NEXT MEETING:

EELewis was to review the BOR slides and criteria and assign tasks to coordinate with the relevant Grant Application components. Members of the Subcommittee are to volunteer for the various drafting tasks.

NEXT MEETING:

TBD

MINUTES:	MAIN THEMES/USEFUL TOOLS:
These minutes are taken contemporaneously as a courtesy record of the group’s conversation. Please excuse any inadvertent attributions, accidental misstatements, or omissions.	
Introductions: Group Discussion on Area: <ul style="list-style-type: none">- Don’t want to determine which areas we want to conduct the pilot now?- Provo and Weber have the great potential- Still want to keep open till we get closer to defining goals of pilot project/get input from local water users Justin Record: <ul style="list-style-type: none">- Do we want to do it under one application of several applications for specific areas?- Are the two areas similar enough to result in one report?	Primary Goal of WaterSMART Grant Program: Development of a water marketing strategy that includes input from local stakeholders. 5 Components of Grant: <ol style="list-style-type: none">1. Implementation Plan2. Legal Framework3. Monitoring4. Decision Support Tools (not required)

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<p>Rich Tullis:</p> <ul style="list-style-type: none"> - This is a statewide goal – so we should have a final report that has statewide implications/analysis <p>Rich Tullis/EELewis:</p> <ul style="list-style-type: none"> - One report would be better because we can compare against the several areas - Storage v. non-storage; distribution problems; buy-in etc. <p>Justin Record:</p> <ul style="list-style-type: none"> - Is this going to be a wet water pilot or just a paper water pilot? <p>Group:</p> <ul style="list-style-type: none"> - This is going to be wet water pilot - We really want to see how this works on the ground <p>Elizabeth Kitchens:</p> <ul style="list-style-type: none"> - Moving on to the actual process of getting an application - We need a description of the “product” – what is the issue we are trying to resolve with this pilot project? - Application needs to meet those descriptions <p>Denver: Avra Morgan – BOR Representative</p> <ul style="list-style-type: none"> - WaterSMART – effort for Interiors to support water supply reliability for a variety of stakeholders - SECURE water Act - Different kinds of categories <ul style="list-style-type: none"> o Basin Study Program o Title XVI – water reuse and reclamation o WaterSMART grants: water conservation planning and design <ul style="list-style-type: none"> ▪ Water and Energy Efficiency Grants ▪ Small Scale Water Efficiency Grants ▪ Water Marketing Strategy Grants o Water Conservation Field Services Program o Drought Response Program o Cooperative Watershed Management Program <p>Water Marketing Strategy Grants</p> <ul style="list-style-type: none"> - Started in 2017 - Generally - voluntary transfer (lease, sale, or exchange) of water rights - WaterSMART are planning grants: Develop a plan on how you want to market water in your area <ul style="list-style-type: none"> o Outreach and Partnership Building o Planning Activities o Pilot Activities - Eligible Applications: <ul style="list-style-type: none"> o States, tribes, irrigation districts, water districts, or other organizations with water or power delivery 	<p>5. Pilot Activities (not required)</p> <p>Application Deadline: There is no set application deadline. The BOR will issue a Request for Proposal when they have the time and resources to evaluate the applications. The BOR Denver Office indicated that they could issue a Request for Proposal as early as January, 2019. Once a RFP has been issued WaterSMART Grant Application are due within 60 days.</p> <p>Eligible Costs: WaterSMART has very specific items grant money and matching contributions can be used for. For example, <u>money cannot be used to buy or lease water.</u></p> <p>Environmental Compliance: WaterSMART money is federal money and any on the ground Pilot Project will trigger NEPA compliance. Applicants should talk with local BOR Office to determine what environmental compliance will look like and to include that as part of the WaterSMART application. Justin Record of the BOR Provo Offices indicated he did not think the NEPA compliance for this project would be extensive.</p> <p>Matching Contributions: All grant awardees are required to contribute matching funds – which can include in-kind contributions such as time.</p>
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<p style="text-align: center;">authority</p> <ul style="list-style-type: none"> - Eligible Projects: <ul style="list-style-type: none"> o Development of a water marketing strategy to establish or expand current water markets or water marking activities o Matching contributions need to also be eligible activities – DOES NOT INCLUDE PURCHASE OF WATER o Rich Tullis: if water conservation is not an eligible purpose is it ok if conservation is a spin-off? Yes - ok - Two Funding Levels: <ul style="list-style-type: none"> o 1) \$200,000 and under two years o 2) \$400,000 and three years o Justin Record: is it one pot of money or do you set aside money for each category <ul style="list-style-type: none"> ▪ AM: No need to set aside different pots yet o In-Kind Contribution: Needs 50% contribution - Pre-award costs: make sure you understand what the pre-award costs are that can be included in project <ul style="list-style-type: none"> o You may want to use pre-award costs for in-kind contribution o No costs incurred before X date can be included (including In-Kind contributions) o Reclamation has to approve the costs as eligible – not using competitive contractor process - Project Requirements: <ul style="list-style-type: none"> o Outreach and partnership building o Scoping and planning activities <ul style="list-style-type: none"> ▪ Financial and economic analysis to identify participants (buyers and sellers) ▪ Researching different water marketing approaches ▪ Analyzing water rights issues and legal requirements (30% cap) ▪ Quantifying water rights, consumptive use, diversions or return flows ▪ Conducting hydrologic or engineering studies related to water, use of infrastructure, or hydrologic impacts ▪ Analysis of decision support tools (tech) (30%) ▪ EELewis: What about project managers – ▪ AMorgan: ok - justifiable about how much of that person’s time is attributable to the project o Pilot Activities: <ul style="list-style-type: none"> ▪ Not intended to just be a pilot project 	<p>Pre-Award Costs: Once a grant is awarded it will dictated to what date prior to the award recipients can seek reimbursement for monies spent or to tally in-kind contributions. Reclamation has to approve all pre-award costs so want to make sure that what we spend money on will meet their criteria for approval.</p>
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<ul style="list-style-type: none">▪ Some cases may require a pilot study, but the end goal needs to be a developing a strategy that includes an implementation plan▪ Pilot Strategies will trigger environmental compliance - talk with local Office and determine what environmental compliance will look like- Primary Program Requirement: Development of a water marketing strategy that includes input from stakeholders<ul style="list-style-type: none">○ 1. Implementation Plan<ul style="list-style-type: none">▪ How the water market activities will be implemented○ 2. Legal Framework<ul style="list-style-type: none">▪ Description of the legal framework of the water market activities○ 3. Monitoring<ul style="list-style-type: none">▪ How water marketing activities will be monitored○ 4. Decision Support Tools (not required)<ul style="list-style-type: none">▪ Development of decision support tools (tech)○ 5. Pilot Activities (not required)<ul style="list-style-type: none">▪ Description of pilot activities and outcomes- If selected:<ul style="list-style-type: none">○ Development of a Project Work Plan<ul style="list-style-type: none">▪ Explain how the 3 required elements will be performed▪ Detailed work schedule, roles, responsibilities.▪ Submit to BOR within 60 days of award○ Development of a Communication and Outreach Plan<ul style="list-style-type: none">▪ How will stakeholders and public be involved in planning process▪ Participation includes public meetings etc.○ Development of a Water Marketing Strategy<ul style="list-style-type: none">▪ A written Water Marketing Strategy○ Required Technical Project Report- Selection Criteria<ul style="list-style-type: none">○ Criterion A: Water Marketing Benefits (40 points)<ul style="list-style-type: none">▪ What is the problem you are trying to address and why is developing this water marketing strategy going to help?▪ The more support you can provide for the statements of need the better○ Criterion B: Level of Stakeholder Support and Involvement (30 points)<ul style="list-style-type: none">▪ Scored on the extent to which the proposal	
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<p>demonstrates the strategy is supported by a diverse set of stakeholders</p> <ul style="list-style-type: none">▪ Letters of Support –○ Criterion C: Ability to Meet Program Requirements (20 points)<ul style="list-style-type: none">▪ Scored based on the extent to which the proposal supports applicant’s financial ability○ Criterion D: Meet BOR priorities (10 points) <p>- Prior Successful Proposals:</p> <ul style="list-style-type: none">○ The New Cache La Poudre Irrigation Company, Inc., Colorado○ WaterSMART Data Visualization Map (very cool) <p>Elizabeth Kitchens:</p> <ul style="list-style-type: none">- What is the timeline for Grant Activity? <p>AMorgan:</p> <ul style="list-style-type: none">- The RPF for the Grant program can come out at any time – we are thinking about January for this year- 60 days to complete from Notice of the Award <p>Justin Record:</p> <ul style="list-style-type: none">- The BOR \$400,000 is available as soon as the award comes out<ul style="list-style-type: none">○ We can also count “time” towards matching in-kind contribution○ Can go back and most likely count some amount of time accrued on the project- I would not allow the NEPA to scare you -- As soon as we know what the pilot project is we can know the scope of the NEPA –- Maybe a 6 Mos timeframe- What timeframe are you thinking about? <p>Rich:</p> <ul style="list-style-type: none">- Most likely not this year, but 2020 realistically <p>Next Steps:</p> <ul style="list-style-type: none">- EELewis to review BOR Power Point again and assign tasks- Set meeting in upcoming email with tasks	
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