

Dear Lower Gunnison Project Partners,

Below is an update on activities that have occurred over the past couple of weeks with regard to the Lower Gunnison Project (LGP):

LOWER GUNNISON PROJECT (LGP) PARTNER UPDATE: October 10, 2016

I. 2017 Regional Conservation Partnership Program (RCPP) for Lower Gunnison

On September 19th, the Colorado River District submitted a full RCPP proposal to NRCS on behalf of Lower Gunnison Partners to expand our agricultural water use efficiency improvement efforts. If awarded, the Lower Gunnison focus areas will have access to another \$20 million of combined funding for on- and off-farm infrastructure. The RCPP funding announcement indicates that 2017 awards will be made sometime after the New Year. We wish to sincerely thank all of our many project partners; we are very appreciative to have their support.

II. 2015 RCPP Alternative Funding Arrangement (AFA) Status Update

The final AFA negotiations have been completed and upon execution, additional funding will be released for on-farm planning and implementation and off-farm/near-farm planning, design and engineering. Unfortunately, no off-farm implementation construction, using RCPP Financial Assistance (FA), may take place until the NRCS watershed planning process has been completed (next summer/fall) – see Sec. III for more details.

One of the nagging issues in the AFA is related to the potential movement of technical assistance (TA) funds to financial assistance (FA) funds. Contrary to previous understandings, we have now been told that, without an “Adjustment of Terms” by NRCS NHQ, the Office of Management and Budget (OMB) is not going to allow the transfer of TA funds to FA funds. This is of great concern to the LGP as it can potentially inhibit the flexibility and ability to leverage outside partner funding sources and get additional construction in the ground (this is because much of our partner funding comes in the form of cash or in-kind assistance for technical activities, such as design and engineering, potentially making a ‘surplus’ of TA that could be used as FA, if transfers were allowed). Without access to guaranteed transfers, will have to work very hard to avoid our project having to return unused RCPP TA funds to NRCS. Thank you for your patience while we tried to develop options to address this issue.

III. NRCS Watershed Plan (WP) Development; Solicitation to Implementation

After several rounds of scoping and negotiations with the contractor, the price of the Watershed Plan developed was decreased significantly, and a mutually-acceptable final fee was generated. With this last piece of information, the funding tables in the draft AFA were able to be finalized. When the NRCS Watershed Planning Team finalizes the contract details with the contractor, it is anticipated that WP development activities will commence in November 2016.

IV. Off-farm Planning and Implementation

A note to our off-farm partners that we are looking forward to working closely with you and your technical consultants to obtain critical pieces of information associated with your RCPP projects as we initiate the WP and associated NEPA compliance activities with the WP contractor, HDR (e.g. specific information about the affected sub-watersheds, irrigation operations, alignment, rights-of-way, anticipated impacts from your project, etc.). Stay tuned for our requests and in the meantime please begin gathering this important information.

V. RCPP Federal Reporting to CO-NRCS

The CO River District has completed its first annual RCPP progress report to NRCS-CO. We received positive feedback and the report was accepted without modifications. In the future, we'll be developing some basic reporting forms that we'll be asking our funding recipients and partners to complete that will help us streamline our reporting requirements and ensure we're doing effective project management and tracking. Thank you in advance for your efforts on this important task.

VI. On-farm Activities:

The CO River District received word from our State Conservationist, Clint Evans, regarding his communication with the Office of General Council in Washington DC on the issue of our use of the DCT program to help carry out the LGP RCPP-EQIP portion of our project. According to Mr. Evans, OGC determined that, "Since our field office leases, computers and vehicles are all funded with additional program funding that is not covered under the RCPP, it would be considered augmentation of the RCPP. Any staff hired to work as a DCT, TSP or contract staff to implement the EQIP portion of the Lower Gunnison RCPP AFA will need to have access to non-NRCS office space, computers and vehicles to conduct the conservation planning and program implementation under the RCPP-AFA."

Additional discussions and decisions are needed from CO NRCS and some key members of the on-farm team related to how to move the on-farm program forward.

• **On-farm Research and Data Collection** continues in the Uncompahgre Valley and in the Rogers Mesa area of the North Fork Valley (activities led by CSU's Dr. Perry Cabot and performed by students hired by the No Chico Brush ATM grant). This is the 2nd year of side-by-side data collection, comparing different irrigation techniques; year-end analysis and evaluation will be performed and summary presentations will be made. In fact, Cabot will be also be presenting some preliminary findings to the US Committee on Irrigation and Drainage Conference in Fort Collins on 10/13 along with Dave Kanzer.

VII. Education and Outreach: The River District is happy to report that development of the Gunnison Basin Water Website is proceeding smoothly. This project is a collaborative effort among Gunnison Basin water users and has received tremendous support from the Roundtable and other partners like the Nature Conservancy. The website is designed to be the 'go-to' site for the LGP Partnership with regard to Project information and details, the ATM and WSRA on-farm irrigation efficiency research, local water resource news, and additional info. "It is your source of information on Water Resources in the Gunnison Basin"

In fact, we wanted to let you all know that we're doing a "soft-launch" of the website: www.gunnisonriverbasin.org. Please navigate to the site and let us know what you think, especially the things you like, things you would change, information you hope to see in the future, etc. Feedback can be provided through our website email: info@gunnisonriverbasin.org. In addition, if you would like to participate in the content management of the website, we are looking for interested editors and content developers.

VIII. Off-farm Activities by Focus Area

A. North Fork Water Conservancy District

- Fire Mountain Canal (FMC) Piping Project: Project-specific planning, design and environmental and cultural resource compliance activities underway. This is a jointly funded project with Reclamation's Basinwide Salinity Control Program.
- North Fork Study Team Partners met with the Irrigation Training & Research Center (ITRC) consulting team to discuss enhancement concepts and implementation alternatives for optimization and modernization of the FMC system on October 6th. Input was solicited from the North Fork Partners including Reclamation and ITRC staff was also able to perform some additional field-reconnaissance. ITRC will be developing interim technical reports for the partners that will be made available once data gathering is complete and recommendations are further vetted.

B. Uncompahgre Valley Water Users Association (UVWUA)

- The UVWUA Phase 9 Lateral Piping Project: Project-specific planning, design and environmental and cultural resource compliance activities underway. Supported by Reclamation through the Basinwide Salinity Control Program.
- UVWUA Study Team Partners met with the Irrigation Training & Research Center (ITRC) to hear preliminary concepts for optimization and modernization primarily for the West Side of the system, focusing on the West, Ironstone and M&D canals and to continue field-reconnaissance activities on October 5th. ITRC will be developing a technical report for the UVWUA regarding recommendations for improvements that will be made public once data gathering is done and additional vetting is completed.

C. Bostwick Park Water Conservancy District (BPWCD)

- Planning continues related to the West Canal Piping Project; additional discussions and meetings are need to refine the timeline and approach. Because this project is solely funded using RCPP monies, implementation is entirely reliant upon the completion of the WP.

D. Crawford Water Conservancy District (CWCD)

- Planning continues related to the Needle Rock headgate improvement project; additional discussions and meetings are need to refine the timeline, budget and approach. Because this project is solely funded using RCPP monies, implementation is reliant upon the completion of the WP before funding is available.
- Additional work continues on the Center Clipper Piping Project (Basinwide funding); RCPP funding is slated to be used to enhance this project with a re-regulation facility to expand the natural resource benefits.

As always, we are available to answer any questions /concerns at the contact info below.

Yours in partnership,

Dave Kanzer