

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet**

**Applicant:** Goodman Point Water Association

**Amount Requested:** \$7,700.00

**Water Activity Name:** Goodman Point Water Association Environmental Report-Preliminary Engineering Report

**Source of Funds:** Basin Account

**Matching Funds:** Yes, Approx. \$23,000

**Water Activity Purpose:** Study of structural water project. To describe and negate impacts to environmental and cultural resources and to perform general scoping of project engineering requirement and costs.

**County:** Montezuma

**Drainage Basin:** ?

**Water Source:** Ultimately if successful Montezuma Water Company – Dolores River and groundwater wells in Lost Canyon

**Water Activity Summary:**

Development of an Environmental Report (ER) and a Preliminary Engineering Report (FER) for a project to extend two of Montezuma Water Company's domestic line terminations, into the Goodman Point area. This will encompass approximately 10 miles of water line, and cover approximately 12 square miles. It will include a lift pump for the elevation gain, a water storage tank, and provide the capability to service 100 taps. This request for \$7,700 represents 25% of the funds required for the two studies (\$30,400).

These reports are necessary to

- negate damage to the environmental resources and cultural resources
- develop a preliminary "blueprint" of the project engineering aspects.
- These reports are also required by the USDA-Rural Development in order to qualify for grant/loan funding; and will be a positive factor in requesting construction funding from the Southwest 1177 Roundtable in 2007, and from other potential funding sources.

The ER and PER will help support the project to bring long needed domestic water to the households of Goodman Point so that hauling water to homes can be terminated.

Beyond the "study phase" looms the specter of project construction of costs between \$600,000 and \$1,000,000. It will be a significant challenge to obtain sufficient grants for this phase of the project to make the project affordable to the average household of Goodman Point.

**Discussion:**

In the Statewide Water Supply Initiative (SWSI) future water needs in unincorporated rural areas were estimated in the aggregate at 5 percent of future growth. In the Dolores/San Juan/San Miguel basins rural growth and development in areas of limited ground and surface water availability was describes as a general issue in the basin especially in the Pagosa Springs to Durango corridor. Although the Goodman Point area was not specifically identified in SWSI this issue and need is consistent with the general finding for the area.

The CWCB has identified rural water development issues as a key funding gap where entities including CWCB have not traditionally marketed programs. There are undoubtedly several reasons but a key reason is lack of available financial resources in the rural growth areas and the corresponding lack of adequate capital and revenue and/or high risk of default on debt. These issues were not specifically explored with the Goodman Point Water Association and therefore no direct conclusion should be drawn regarding Goodman Point. This may be an issue in the future as the application does point out the concerns over the construction costs that would follow if the study is successful.

Finally, this issue illustrates a consistent pattern in some areas of Colorado where communities/individuals develop in areas without sufficient infrastructure for sustainable water use. These areas are often sought due to their attractive lower land costs (in part the costs are lower due to the lack of amenities) but then once a “level of growth” occurs resulting concerns of health, safety and welfare follow. Smaller rural water system provider often get caught in this dynamic and strive to provide services without sufficient water, financial, technical resources.

**Issues/Additional Needs:**

Staff did not receive attachments.

Please describe how this project fits conceptually into the entire process of constructing the pipeline (ie., key major steps and challenges).

There is no detailed budget.

Please provide additional detail on the applicant (see page 10 of criteria and guidelines).

Funds can not be used to reimburse past costs.

The application needs to address eligibility criteria 4 in more detail.

Is the investment of the money prudent without some understanding of how the capital costs of the project will be provided?

**Staff Recommendation:**

Staff recommends funding of up to \$7,700.00 contingent on successfully addressing the items in the issues/additional needs section.

All products, data and information developed as a result of this grant must be provided to CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.