

**SOUTHWEST BASINS ROUNDTABLE**

**Michael Preston, Chair**

**c/o Dolores Water Conservancy District**

**P.O. Box 1150**

**Cortez, Colorado 81321**

**970-565-7562**

EMAILED November 19, 2008

Mr. Todd Doherty

Chief, Intrastate Water Management and Development Section

Colorado Water Conservation Board

1580 Logan Street, Suite 600

Denver, Colorado 80203

SUBJECT: Recommend funding from the Basin fund of the Water Supply Reserve  
Account for Molas Ditch Rehabilitation and Diversion Structures Project

Dear Mr. Doherty:

The Southwest Basins Roundtable is pleased to recommend \$95,000 from the Basin fund for the Molas Ditch Rehabilitation and Diversion Structures Project.

This application was considered in detail at the November 12, 2008 meeting of the Southwest Basins Roundtable. There was a quorum of Roundtable members present.

Southwest Basins Roundtable recommends that the CWCB approve the requested funding for the Molas Ditch Rehabilitation and Diversion Structures Project from the Basin Account. The completed Grant Applications will be forwarded directly to you by the applicants. Please contact the applicants directly or me at 970-565-7562, [mpreston@frontier.net](mailto:mpreston@frontier.net), if you have questions or wish to discuss these applications in more detail.

Sincerely,

Michael Preston

Southwest Basins Roundtable Chair



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT 2007-2008 GRANT APPLICATION FORM

Name of Water Activity/Project

River Basin Location

Molas Lake Ditch Rehabilitation and Diversion Structures

Southwest (San Juan County)

\$95,000

☒

Basin Account

☒

Yes

☐

Statewide Account

☐

No

Amount of Funds Requested

Please Check Applicable Box

Approval Letter Signed By  
Roundtable Chair and  
Description of Results of  
Evaluation and Approval  
Process

**\* For the Basin Account, the Application Deadline is 60 Days Prior to the Bimonthly CWCB meeting. The CWCB meetings are posted at [www.cwcb.state.co.us](http://www.cwcb.state.co.us) and are generally the third week of the month.**

**\* For the Statewide Account, the Application Deadline is 60 Days Prior to the March and September CWCB Board Meetings.**

\* In completing the application you may attach additional sheets if the form does not provide adequate space. If additional sheets are attached please be sure to reference the section number of the application that you are addressing (i.e., A.1. etc.).

**Instructions:** This application form must be submitted in electronic format (Microsoft Word or Original PDF are preferred). The application can be emailed or a disc can be mailed to the address at the end of the application form. The Water Supply Reserve Account Criteria and Guidelines can be found at <http://cwcb.state.co.us/IWMD/>. The criteria and guidelines should be reviewed and followed when completing this application. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request for a grant. If you have difficulty with any part of the application, contact Todd Doherty of the Intrastate Water Management and Development (Colorado Water Conservation Board) for assistance, at (303) 866-3441 ext.3210 or email Todd at [todd.doherty@state.co.us](mailto:todd.doherty@state.co.us).

Generally, the applicant is also the prospective owner and sponsor of the proposed water activity. If this is not the case, contact the Todd Doherty before completing this application.

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**Part A. - Description of the Applicant** (Project Sponsor or Owner);

1.	Applicant Name(s):	Town of Silverton		
	Mailing address:	P.O. Box 250 Silverton, CO 81433		
	Taxpayer ID#:		Email address:	<a href="mailto:esalazar@silverton.co.us">esalazar@silverton.co.us</a>
	Phone Numbers: Business:	970-387-5522		
	Home:			
	Fax:	970-387-5583		

2. Person to contact regarding this application if different from above:

Name :	Elyse Salazar
Position/Title	Town Administrator

3. Provide a brief description of your organization below: see “Description of Applicant” in Part 2 of Criteria and Guidance for required information.

The Town of Silverton is the applicant for this project.

Administrative staff of three full-time employees (not including Public Works dept) and two employees shared with San Juan County. Town has the capacity to manage some additional grant-funded projects; currently managing over \$1 million in grants. Annual operating budget of the Town is approximately \$1.5 million.

Contact Elyse Salazar, Town Administrator, [esalazar@silverton.co.us](mailto:esalazar@silverton.co.us) or 970-387-5522

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4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.

N/A

## Part B. – Description of the Water Activity – Please Refer to Criteria and Guidance Document for Eligibly Requirements

1. Name of water activity/project:

Molas Ditch Rehabilitation and Diversion Structures

What is the purpose of this grant application?

☐

Environmental compliance and feasibility study

☐

Technical Assistance regarding permitting, feasibility studies, and environmental compliance

☐

Studies or analysis of structural, nonstructural, consumptive, nonconsumptive water needs, projects

Study or Analysis of:

2. Describe  
these

☐

Structural project or activity

☐

Nonstructural project or activity

1. The  
the

☐

Consumptive project or activity

☐

Nonconsumptive project or activity

how the water activity meets  
**Threshold Criteria.**

water activity meets  
eligibility

☒

Structural and/ or nonstructural water project or activity

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requirements outlined in Part 2 of the Criteria and Guidelines.

This project is for the construction of two diversion structures and other equipment that have been required per state and federal agencies. These diversion structures and equipment will measure water flows for the purpose of determining water rights, and provide adequate intake into Molas Lake, which is water storage for the Town and other entities.

Ditch rehabilitation will be completed as needed to allow for the proper and measured flow of water both into and away from the Molas Lake storage facility.

2. The water activity is consistent with Section 37-75-102 Colorado Revised Statutes. The requirements/language from the statute is provided in Part 3 of the Criteria and Guidelines.

This project is in strict conformance with this statute and in no way diminishes or impairs other water rights created by existing contracts.

3. The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRT's evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

N/A—This is only a request to the basin wide account.

4. The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes. The requirements/language from the statute is provided in Part 3 of the Criteria and Guidelines.

This project is in strict conformance with this statute.

3. For Applications that include a request for funds from the Statewide Account, describe how the water activity meets the **Evaluation Criteria**. See Part 3 of Criteria and Guidelines.

This application requests funds from the basin account.

4. Please provide an overview of the water project or activity to be funded including – type of activity, statement of what the activity is intended to accomplish, the need for the activity, the problems and opportunities to be addressed, expectations of the participants, why the activity is important, the service area or geographic location, and any relevant issues etc. Please include any relevant TABOR issues that may affect the Contracting Entity. Please refer to Part 2 of Criteria and Guidance document for additional detail on information to include.

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### Purpose

Over the past several years the Town of Silverton has been working toward several interrelated improvements to Molas Lake. Broadly, these improvements are the construction of a dam and diversion structure and recreational and campground enhancements to the park. The goal of the recreation improvements is to improve the experience for recreation users and to restore areas of the park that had been destroyed from unregulated use. The goal of the dam improvements is to provide a reliable augmented water supply for the town.

Most recreation and dam improvements are complete at this time. This includes the construction of an approximately \$200,000 dam at the south end of the lake to increase water storage. The money being requested at this time is strictly for improvements to the Molas ditch and diversion structure. The purpose of these improvements is to perfect an augmentation water supply for the Town of Silverton, while protecting and enhancing the recreational features of Molas Lake Park. Currently, the water source for Molas Lake is unappropriated. Furthermore, our State and Federal permits require the ditch and diversion structure improvements as a condition of approval.

The Molas Lake water augmentation project has been extremely complicated, and has brought numerous federal, state, and local partners together. The Town has been working through the permitting and water rights processes since 2006 and has spent approximately \$70,000 in legal and permitting costs. Fortunately, all necessary permits are now in place. During the permitting process, the US Forest Service, Bureau of Land Management, and Colorado Water Conservation Board have required the town modify its scope of work on the project to add additional diversion structures and ditch rehabilitation. The original plan was to install one structure just before the ditch crosses Highway 550. The culvert in this area historically cannot handle the runoff flows in the ditch. The aforementioned Federal and State agencies determined that an additional structure was necessary upstream at the original point of diversion. This new structure has doubled the Town's construction costs originally planned for the ditch. While the Town does not believe this additional structure is necessary, it has agreed to construct the additional diversion structure in order to gain support of these Federal Agencies on the Town's pending water rights for Molas Lake.

The town is currently struggling to fund these additional requirements.

Regarding the steps towards completion, the Molas Lake project consists of two phases. The first phase was certain recreation improvements and construction of the dam. The second phase will be rehabilitation of the ditch and construction and installation of two diversion structures.

Phase I, which will be completed before the end of October 2008 and has involved over two years of work, has included:

- ☐ Reconstruction of Molas Lake Dam to meet State Engineering criteria and to meet future storage needs.
- ☐ Reconstruction of Molas Lake Park campground including rehabilitation and revegetation of Molas Lake Park

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- ☐ Filing of water storage rights on Molas Lake for augmentation
- ☐ Wetland mitigation

When grant funds were approved in 2006 from the Department of Local Affairs, Great Outdoors Colorado, and the Southwest Water Conservation District, the Town planned on completing both phases of this project with grant funds and matching in-kind labor and cash contributions. However because of the increased scope of work resultant from the permitting processed and increased costs for fuel and materials, the available funds for this project are no longer sufficient.

The last portion of this project, phase II that needs funding is for the rehabilitation of the ditch and construction of two diversion structures on Molas Ditch. These structures are critical to the overall delivery of water to Molas Lake, and are key elements in securing the Town of Silverton's water rights. This is the portion of the project for which the Town is seeking funding.

Permitting is in place and a great deal of work has been completed to secure Molas Water Rights. All engineering work has been done for the ditch work and diversion structures and permitting is in place. The final steps for completion of this project are: construction, inspections, and the submission of post-construction documents to permitting authorities.

The Molas Lake projects have enjoyed tremendous support from several sources. To date, the Town's efforts at Molas Lake have been the result of thorough planning done locally and strong support from the Department of Local Affairs, the Southwest Water Conservation District, and Great Outdoors Colorado.

The Department of Local Affairs awarded the Town a grant and supplemental request equaling \$250,012. The Southwest Water Conservation District provided a match of \$50,000, and the Town of Silverton provided a match of \$65,987 combined cash and in-kind. Since the initial award of the contract from Department of Local Affairs in 2006, the Town has spent about \$100,000 of these awards in various legal, engineering, and lengthy permitting requirements. To date, both the dam and the ditch diversion structure have all the necessary permitting and engineering. The cost of actual construction of the Molas Dam will use the remainder of the Department of Local Affairs and Southwest Water Conservation District money as well as the cash and in-kind match from the Town. Therefore, although permitting and engineering for the Molas Ditch is complete, the rise in construction costs over the past several years, combined with a more expensive permitting and legal process than anticipated has left ditch construction unfunded.

In addition to DOLA and the Southwest Water Conservation District, Great Outdoors Colorado provided \$630,000 in funding to implement Phase I of the Molas Lake General Development Guide. This Master Plan for Molas was developed through a public process in 2005 and 2006. Phase I developments included revegetation of the campground, major roadway improvements, campsite improvements, and the installation of various campground amenities. This work is 95% complete. The work on the Molas Lake and Ditch are the match that made possible this \$630,000 grant for campground. This Great Outdoors Colorado money was awarded as part of the multi-million dollar San Juan Skyway project.

To date, therefore, grant funding sources have provided \$930,012 towards the Molas Lake projects. The town has directly contributed \$65,987 towards these projects. As a matter of perspective, the amount contributed to this project from outside sources equals 62% of the Town's annual budget in 2008. The

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ability of the Town to repay a loan is limited by its budget in proportion the size of the project at Molas Lake. Even a \$75,000 loan represents 5% of our annual operating budget. For this reason, grants have been critical to completing the projects at Molas Park.

5. Please summarize the proposed scope of work. Please refer to Part 2 of the Criteria and Guidance document for detailed requirements. On the following page there is an example format for the Scope of Work. You can use the example format or your own format, provided that comparable information is included.

The scope of work should outline by task how the water activity will be accomplished. It is important that the scope of work detail the specific steps, activities/procedures that will be followed to accomplish the water activity and the specific products/deliverables that will be accomplished. The scope of work should include but not be limited to: task description, key personnel, budget, schedule and deliverables and the final report/project documentation upon completion of the water activity.



### **Suggested Format for Scope of Work**

The scope of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the scope of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. Summarized below is a suggested format for the Scope of Work.

#### **I. Task 1 (the Town is NOT requesting money for this task)**

- *Description of task:* Complete dam and recreation improvements at Molas Lake Park
- *Method or procedure that will be used or followed to accomplish the task and identify who will undertake the task:*
  - Complete dam improvements per state and federal permits and contract with the Department of Local Affairs
  - Complete recreation improvements at Molas Park per contract with Great Outdoors Colorado
- *Description of the major deliverables/products that will be produced upon successful completion of the task:*
  - Completed, backfilled dam, including “as-builts” of those structures submitted to state.
  - Completed recreation improvements, including campsites, privies, dump station, etc.

#### **Task 2**

- *Description of task:* Complete immediate structural and non-structural needs at Molas Lake Ditch
- *Method or procedure that will be used or followed to accomplish the task and identify who will undertake the task:*
  - Install diversion structure in accordance with the plans by Engineer Mountain, Inc. that have been accepted by the State of Colorado. Anticipated equipment includes a mini-excavator, bobcat or skid-steer, and portable concrete mixture.
  - Install waste gate structure in accordance with the plans by Engineer Mountain, Inc. that have been accepted by the State of Colorado.
  - Remove vegetation to limit potential clogging along ditch.
  - Remove clog and roots in ditch bottom.
  - Monitor potential “blow-out” areas
  - Minor grading modifications to improve capacity and freeboard
- *Description of the major deliverables/products that will be produced upon successful completion of the task:*
  - Complete diversion structure and waste-gate, including “as-builts” of those structures.
  - Evidence of rehabilitated ditch (photos and/or narrative)

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## **Task 3**

- *Description of task:* Revegetation, wetland mitigation, and ditch stabilization
- *Method or procedure that will be used or followed to accomplish the task and identify who will undertake the task:*
  - Revegetate or stabilize all ground where soil has been exposed.
  - Control any potential spread of noxious weeds.
  - Reseed with weed-free seed mix
- *Description of the major deliverables/products that will be produced upon successful completion of the task:*
  - Provide narrative and/or photos of revegetation areas including certification of weed-free revegetation.

## **II. Personnel**

The personnel chosen for this project will be the same companies that have completed work thus far on the dam at Molas Lake. Engineer Mountain has already prepared necessary engineering plans and worked on behalf of the town for all required permitting, both for the dam and the ditch. Brian Fullmer Construction is under contract for dam improvements and is familiar with the worksite and scope of work.

Grant administration:	Town of Silverton
Permit compliance monitoring:	Engineer Mountain, Inc.
Submission of “as-builts:”	Engineer Mountain, Inc.
Wetland Mitigation:	Brian Fullmer Construction and/or Alpine Environmental Services
Construction and excavation:	Brian Fullmer Construction, LLC

## **III. Budget**

A detailed budget by task, which includes the level of effort (hours) and rates. Any unit costs or other direct costs must be specified (i.e. mileage, number of miles, dollars per mile). For an example budget format – See Attachment 1 at the end of this application.

If applicable, the budget should also detail the source and amount of matching funds and/or in-kind contributions, if any. If applicable, the budget should also include any other outstanding or previously applied for funding that also supports the water activity:

## **IV. Schedule**

Task or Sub-task	By	Due Date
Finalize permitting and monitor state/federal permitting requirements	Engineer Mountain, Inc.	Ongoing
Complete installation of dam	Brian Fullmer Construction	October 31, 2008

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Complete all recreation improvements	Town of Silverton, Brian Fullmer Construction	November 30, 2008
Verify all permitting requirements are met	Engineer Mountain, Town of Silverton	April 31, 2009
Begin construction and rehabilitation per state and federal permits <b>Milestone 1: Earthwork Begins</b>	Brian Fullmer Construction	June 1, 2009
Complete construction of diversion structures and ditch rehabilitation. <b>Milestone 2: Diversion structures, waste-gate in place and rehabilitation complete</b>	Brian Fullmer Construction	July 15, 2009
Complete revegetation and wetland mitigation.	Brian Fullmer Construction and/or Alpine Environmental Services	July 15, 2009
Monitor permit compliance	Engineer Mountain	Ongoing
Submit final “as-builts” as required per state permits <b>Milestone 3: Submit as-builts</b>	Engineer Mountain	August 31, 2009
Close out project	Town of Silverton	September 31, 2009

***NOTE: Costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.***

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6. Water Availability and Sustainability – this information is needed to assess the viability and effectiveness of the water project or activity. Please provide a description of each water supply source to be utilized for, or the water body to be affected by, the water activity. For water supply sources being utilized, describe its location, yield, extent of development, and water right status. For water bodies being affected, describe its location, extent of development, and the expected effect of the water activity on the water body, in either case, the analysis should take into consideration a reasonable range of hydrologic variation.

The main water source for this project is Molas Ditch as the conveyance, utilizing the historic diversion point from Molas Creek. The ditch was constructed in the late 1800's, and runs along the western side of US HWY 550, approximately 7 miles south of Silverton, Colorado. The ditch then crosses US HWY 550 and enters Molas Lake Park, owned by the Town of Silverton. Molas Ditch is the primary water supply to Molas Lake.

This project will construct a controlled diversion structure at the historical point of diversion on Molas Creek, and provide general operation and maintenance to Molas Ditch. Native flows will also be returned to Molas Creek. The Town is seeking a water right on the ditch for 2.2 cfs to feed Molas Lake. The proposed improvements to Molas Ditch are part of the negotiated settlement between the Town, US Forest Service, Bureau of Land Management, and Colorado Water Conservation Board for the 2.2 cfs water rights filing on Molas Ditch. It is important to note that Molas Ditch and Molas Lake have been existing water bodies for more than a century, but water rights to supply water to Molas Lake have never been perfected beyond dead storage currently adjudicated to the Colorado Water Conservation Board. This project will ensure adequate water rights to fill Molas Lake so that recreational and environmental qualities of the lake are protected.

7. Please provide a brief narrative of any related or relevant previous studies.

N/A

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8. **Additional Information – If** you feel you would like to add any additional pertinent information please feel free to do so here.

The Town of Silverton submits this request as part of a larger project for securing our water rights. To date, almost \$1 million in work has been done at Molas Lake Park for dam construction, planning, and recreation improvements. The rehabilitation of the ditch and construction of diversion structures and waste-gates is the final hurdle towards fully complying with all pending water rights cases and state and federal permits.

Although we are requesting only a final portion of a larger project, the total of the projects completed at Molas equals approximately 67% of the Town's annual budget. The projects at Molas have been a priority for the town and, if provided, funding for the ditch structures and rehabilitation will be of tremendous assistance to the Town.

The above statements are true to the best of my knowledge:

**Signature of Applicant:**

**Print Applicant's Name:** Town of Silverton

**Project Title:** Molas Lake Ditch Rehabilitation and Diversion Structures

### Return this application to:

Mr. Todd Doherty  
Intrastate Water Management and Development Section  
COLORADO WATER CONSERVATION BOARD  
1580 Logan Street, Suite 600  
Denver, CO 80203

To submit applications by Email, send to: [todd.doherty@state.co.us](mailto:todd.doherty@state.co.us)

### Reference Information

The following information is available via the internet. The reference information provides additional detail and background information regarding these criteria and guidelines and water policy issues affecting our state.

Sample Contract and Purchase Order –

<http://cwcb.state.co.us/IWMD/RelatedInformation/ToolsResources/>

Colorado Water Conservation Board Policies

Loan and Grant policies and information are available at – <http://cwcb.state.co.us/Finance/>

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Water Supply Reserve Account Criteria and Guidelines –

<http://cwcb.state.co.us/IWMD/RelatedInformation/ToolsResources/>

### Interbasin Compact Committee and Basin Roundtables

Interbasin Compact Committee By-laws and Charter (under Helpful Links section) –

<http://ibcc.state.co.us/Basins/IBCC/>

### Legislation

House Bill 05-1177 - Also known as the Water for the 21<sup>st</sup> Century Act –

<http://cwcbweblink.state.co.us/DocView.aspx?id=105662&searchhandle=28318>

House Bill 06-1400 – Adopted the Interbasin Compact Committee Charter –

<http://cwcbweblink.state.co.us/DocView.aspx?id=21291&searchhandle=12911>

Senate Bill 06-179 – Created the Water Supply Reserve Account –

<http://cwcbweblink.state.co.us/DocView.aspx?id=21379&searchhandle=12911>

### Statewide Water Supply Initiative

General Information – <http://cwcb.state.co.us/IWMD/>

Phase 1 Report – <http://cwcb.state.co.us/IWMD/SWSITechnicalResources/SWSIPhaseIReport/>

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## Attachment 1

**Sample Budget Table:** Please note that this budget table is an example and will need to be adapted to fit each individual application. In the tables below please list the personnel by specialty/ expertise i.e. project manager, project engineer, etc. Also, tasks should correspond to the scope of work of your project and the number of tasks listed will vary accordingly.

Total Costs				
	Labor	Other Direct Costs	Matching Funds (If Applicable)	Total Project Costs
Task 1 - Complete dam and improvements at Molas Lake Park	\$365,998		\$365,998	\$365,998
Task 2 - Complete immediate structural and non-structural needs at Molas Lake Ditch	\$78,000			\$78,000
Task 3 - Revegetation, wetland mitigation, and ditch stabilization	\$17,000			\$17,000
In-Kind Contributions	\$365,998			
Total Costs:	\$460,998			\$460,998

### Breakdown of Requested Funding

Example Project Personnel:	General Contractor	Project Engineer	Matching Funds	Total Costs
Hourly Rate:	Per bid	\$100		
Task 2 - Complete immediate structural and non-structural needs at Molas Lake Ditch	\$75,000	\$3,000		\$78,000
Task 3 - Revegetation, wetland mitigation, and ditch stabilization	\$15,000	\$2,000		\$17,000
Total Hours:	N/a	50		
Cost:	\$90,000	\$5,000		\$95,000

### Breakdown of In-Kind Contribution

Project Personnel:	General Contractor	Town of Silverton	Project Engineer	Legal (including environmental)		Total
Task 1a - Complete dam and improvements at Molas Lake Park	\$197,011	60,987	\$65,000	\$43,000		\$365,998
Total Cost:						\$365,998