COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT
2007-2008 GRANT APPLICATION FORM

Town of Sawpit –Domestic Water System Construction; Southwest Basin

Name of Water Activity/Project **River Basin Location**

$25,000	X	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 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. 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.

Water Supply Reserve Account – Grant Application Form
Form Revised May 2007

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

1. Applicant Name(s): **Town of Sawpit**

Mailing address: **Town of Sawpit**
c/o Mike Kimball
P.O. Box 248
Placerville, CO 81432

Taxpayer ID#: **84-1211293** Email address: **michaelnjoyce@msn.com**

Phone Numbers: Business: **970-729-2678**
Home: **970-728-3708**
Fax: **970-369-5560**

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

Name: **Mike Kimball**

Position/Title **Sawpit Mayor**

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

This proposal is being submitted by the Town of Sawpit. Sawpit is a statutory town located in San Miguel County, about 10 miles west of the Town of Telluride. The town's population was 25 according to the 2000 census, making Sawpit the third least populous incorporated town in the Sate of Colorado. Today, the population is 45. The town was incorporated in 1892 as a Rio Grande Southern rail stop as well as a mining town. The town is about .03 square miles in size.

The town is divided by Highway 145 and has 22 residential water taps and one commercial tap. The town is made up of working families; the median income is $26,250 as compared to the state of Colorado's median income of $47,203.

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

The Town of Sawpit is the contracting entity. Engineering oversight and project management will be subcontracted through Buckhorn Geotech. A construction contractor will be hired this summer.

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

1. Name of water activity/project:

Town of Sawpit Water Distribution Improvement Project- Construction

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:

☐ Structural project or activity

☐ Nonstructural project or activity

☐ Consumptive project or activity

☐ Nonconsumptive project or activity

2. Describe these how the water activity meets Threshold Criteria.

☒ Structural and/ or nonstructural water project or activity

1. The water activity meets the eligibility requirements outlined in Part 2 of the Criteria and

Guidelines.
The application meets the eligibility requirements as the Town of Sawpit is a government/municipal entity and the proposal is for a structural water project to provide domestic water.

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.**

   The water activity is consistent with Section 37-75-102 in that the Town of Sawpit will be using its legal water rights under Colorado Law and the project is consistent with the existing water rights adjudication system.

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 BRTs 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.**

   This application is only being submitted to the Southwest Basin Roundtable for funding.

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.**

   The proposal furthers the Southwest Basin's water needs assessment and addresses a consumptive water supply need.

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

   N/A

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.

The Town of Sawpit is seeking a $25,000 grant for construction funding to replace its water distribution system and storage tank. The Town previously received $25,000 from the Southwest Basin Roundtables for surveying and engineering for this project, which it matched with $18,178 of its own cash. The town is now ready to begin construction and is seeking to raise the $358,212 through a combination of Southwest Basin Roundtable, Southwestern Water Conservation District, and DOLA grants, a loan from either the State Revolving Loan Fund or DOLA, and Sawpit cash contribution.

Sawpit's original water distribution system was constructed in 1896, supplying water from Nelson Spring, a groundwater spring site. The distribution system was reconstructed in the late 1940's, absent any engineering documents or review by the State of Colorado to verify its adequacy to reliably serve the platted townsite. It was constructed of threaded and welded steel pipe salvaged from nearby abandoned mines and mills. It was installed without proper trench preparation and compaction of bedding or backfill material. The design life of the existing distribution system piping would be no more than 30 years if proper construction methods had been employed. The age of the existing distribution system is nearing 60 years.

Also, Sawpit's storage system is not in state compliance and the supply tank is too small. Currently Sawpit has at most two days reserve in its concrete vertical tank and furthermore, the integrity of the tank is in question.

The deficiencies in the existing distribution system include:

- Aging lines with poor construction result in frequent line breaks, leakage, and risk of cross contamination.
- Several portions of the distribution system piping lie outside of platted rights-of-ways.
- Inadequate valving, risking system wide water outages in the event of a leak.
- The town does not have individual water meters, only a master meter at the treatment building.

The storage system consists of a single ±1,500-gallon (actual volume unknown) vintage 1940's underground concrete tank whose primary purpose is for chlorine contact. Its storage capacity limits its function as a consumption/water-outage buffer. The storage tank is showing signs of failure, with cracks developing around the lid area.

The remaining useful life of the water distribution system and concrete water tank expired many years ago, leaving the community at risk. The town has serious concerns with regard to the health and safety of its water system, including frequent loss of service and potential for cross-contamination due to leaks in aging pipes adjacent to individual sewage disposal systems. The Town of Sawpit has an on-going program of fixing leaks as they become apparent. However, as leaks are fixed the repair crew has noted the

deteriorating condition of the pipes that are in the ground and the need for a larger scale replacement program to reduce on-going problems and cross-contamination potential. Although current water quality is in compliance with state standards, water quality and quantity will likely be an issue in the near future as line rust induced line leaks increase the likelihood of water quality degradation and supply interruption.

Roundtable funding will enable the town to construct new distribution lines, replace the existing storage tank, and provide water meters, which would bring the town into compliance with CRS 37-97-103. These improvements will greatly benefit water quality and quantity. The project has many benefits in that, if not funded, the entire town will be at risk to contaminants in their drinking water and the future cost of maintenance will greatly increase. Currently the town is losing water through leakage and the distribution lines are vulnerable to contamination.

The current distribution system has deteriorating lines due to age, lack of valves, and questionable chlorine contact time in its storage tank. Lack of valves results in customers being without water in the event of a repair on any of the lines. Finally, the age of the water lines poses a risk for water outages and for cross-contamination in the event of a leak, which has become a reoccurring problem.

The underground concrete storage tank is past its design life, has outdated inlet/outlet piping, and lacks sufficient storage to provide adequate chlorine contact time. Replacing the existing tank with a 3,000-gallon tank would meet state Water Quality Control Division's minimum guidelines for contact time and improve tank integrity.

Why this project can not be funded locally: The Town of Sawpit operates its water system through its general fund. The system lacks individual water meters, but does have a totalizing meter at the treatment plant building. Water rates are based on an annual lump sum of $300 ($25/month) for residential users and $600 ($50/month) for the single commercial user, which suggests that annual revenue of $7,500 is typically available for operation, repairs, and capital replacement.

A comparison of residential water rates was performed for local water systems in the region, including the City of Ouray, Town of Ridgway, and the Town of Telluride. The amount of Sawpit's annual water user rate was in line with regional rates, with the primary difference being that Sawpit has not implemented an ascending rate (i.e. rate increases once a pre-determined amount of water is used). A portion of this project includes installing water meters, which would allow Sawpit to use an ascending rate structure for its tap fees.

The Town of Sawpit's financial ability to replace its aging water distribution system is strained.
Based upon the regionally consistent rate structure and the middle class nature of the community, Sawpit's challenge is capital generation to replace the aging and potentially unsafe water distribution system and concrete storage tank. From collection of annual tap fees, Sawpit receives about $7,500 per year, and the town can save about $10,000 to $15,000 per year, depending on the amount of water system repairs, from all revenue sources. This is a good reserve fund based on routine repairs and small scale emergencies. However, this fund covers all Town expenses and is nor solely available for the water system.

The projected cost to replace the recommended infrastructure is approximately $358,212. In order to

develop the necessary capital for this project an assessment in excess of $11,801 would be required for each of the 22 service connections. The current economic environment limits loans to low credit risk individuals and good employment history. It is unlikely that all 22 of the service connection owners could arrange for financing to collectively develop the needed capital. Coupling this situation with limited future service connections (possibly 3), severely limits this systems potential to self-fund the replacement in a timely manner.

Having recently paid off its last loan from DOLA to replace the spring box for its water system, the town would like to fund as much as possible of new proposed improvements with grants. The town is considering a loan for a portion of the project; however, funding can not be completed with a loan only. If the entire funding amount is financed, at an interest rate of 4.5-percent over 40 years, the annual amortized payments will be over $14,796.72/year. Currently the community has 22 users. This maximum annual repayment reflects approximately $56.04/month per tap of increase, which raises the water rate well beyond those experienced by water users within this region of Colorado. Hence, outright financing is not an option for the Town of Sawpit.

The town has the ability to receive and spend state grant funds under TABOR spending limitations. In a past election, Sawpit residents voted to allow the town to keep revenues above spending limits.

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.

Scope of Work

I. Task 1

Description of task. Construction of water system upgrades to include:

1) Hire contractor through bid process
2) Obtain CDOT and San Miguel Co. permits
3) Replace distribution lines with new high density polyethylene pipe – lines replaced within existing easements and right-of-ways.
4) Install residential water meters
5) Replace storage tank with a 3,000 gallon tank, so as to comply with state law. New tank located in same location of existing tank.
6) Completion of project/final report

Method/Procedure. Buckhorn Geotech has prepared the final engineering and bid documents for hiring contractor. As soon as funding is in place, Sawpit will hire a contractor to conduct the work. Buckhorn Geotech will continue to provide construction and engineering administration.

San Miguel County and CDOT permits are required, but can not be finalized until a contractor is hired. A CDOT permit is required as a portion of the pipelines are in highway right-of-way as well as will be located in an existing conduit that goes under the highway.

Contractor mobilization will include laborers, heavy equipment, equipment operators, traffic control, and construction administration.

Deliverables/Products.

1) New water distribution lines – with an estimated 50 year life
2) New storage system allowing required chlorination time in compliance with state regulations.
3) New water meters, which will allow the town to adjust its rate system
4) Final reports submitted to funders

Indirect project benefits include:

1) Fewer water system repairs
2) Less water usage, due to current undetectable leaks in the system
3) Improved water quality
4) Water system in compliance with state laws due to improved storage system and water meters.

II. Personnel

Provide a list of key water activity/project participants and their qualifications to accomplish the water activity/project. If specific individuals or firms have not yet been identified indicate the types of expertise that will be sought (i.e. professional engineering firm, registered land surveyor, aquatic biologist etc.).

Buckhorn Geotech will be providing Engineering management and construction oversight. Buckhorn Geotech is a multi-discipline firm, providing professional engineering services in western Colorado since 1978. Buckhorn provides a wide array of engineering and geotechnical investigations and designs as well as oversight for private, commercial, industrial, and municipal projects.

Eric Krsh of Buckhorn Geotech, Inc.is the Project Manager. Mr. Krch is the company's Civil Group Manager and Senior Project Manager. He has personally designed three water distribution systems in the Sawpit\Telluride area, as well as has assisted in the design of large residential development water supply systems. Buckhorn was responsible for the surveying and preliminary engineering for this project and has a long history of working with Sawpit on its water system.

The town will hire a professional construction firm with experience in replacing water distribution lines.

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

1) Hire contractor – July 2009
2) Obtain CDOT and San Miguel County permits – July/Aug - 2009
3) Replace distribution lines with new high density polyethylene pipe – Sept/Oct. 2009
4) Install residential water meters – Oct. 2009
5) Replace storage tank with a 3,000 gallon tank – Sept/Oct 2009
6) Final report – Nov. 2009

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

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.

Sawpit's water supply comes from Nelson Spring. Sawpit has the priority water rights on Nelson Spring. Sawpit also has irrigation water rights from Sawpit Creek.

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

Surveys and studies completed include:
1) The Town of Sawpit Source Water Protection Plan
2) Townsite survey
3) Survey of all physical improvements relating to water
4) Preliminary Engineering Report – submitted to State Engineers

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

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

Signature of Applicant: Mike Kimball

Print Applicant's Name: Mike Kimball

Project Title: **Town of Sawpit Water Distribution Improvement Project- Construction**

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

Attachment 1

PROJECT BUDGET

Expenditures		**Sources of Revenue** (Dollar for Dollar Cash Match is Encouraged)			Funding Committed
List Budget Line Items (Examples: architect, engineering, construction, equipment items, etc.)		List the sources of matching funds and indicate either cash or documentable in-kind contribution			Yes/No
			Cash	In-Kind	
Professional Design Services: Surveying, Preliminary Engineering, PER, Final Design, Bid Support	**$43,178**	**Town of Sawpit ($18,178), Southwest Basin Roundtables ($25,000)**	**$ 43,178**		**Yes, Completed**
Construction (including equipment and labor). See break down in separate budget.	**$227,825**	**Basin Roundtables ($25,000); SWCD ($25,000); DOLA/Energy & Mineral Impact Fund Loan Request ($175,000); Drinking Water Revolving Loan Fund Grant or Loan or DOLA loan $2,825)**	**$227,825**		**No**
Construction Management Technology (CMT) (3%)	**$6,835**	**Drinking Water Revolving Loan Fund Grant or Loan or DOLA loan and/or Town of Sawpit Cash**	**$6,835**		**NO**
Survey Budget (2%)	**$4,557**	**Drinking Water Revolving Loan Fund Loan or Grant or DOLA loan and/or Town of Sawpit Cash**	**$4,557**		**No**
CDOT/SMP Permitting (.05%)	**$1,139**	**Drinking Water Revolving**	**$1,139**		**No**

		Loan Fund Loan or Grant or DOLA loan and/or Town of Sawpit Cash			
Engineering Admin (4%)	**$9,113**	**Drinking Water Revolving Loan Fund Loan or Grant or DOLA loan and/or Town of Sawpit Cash**	**$9,113**		**No**
Gravel	**$20,000**	**San Miguel County**		**$20,000**	**Yes**
Contingency (20%)	**$45,565**	**Drinking Water Revolving Loan Fund Loan or Grant or DOLA loan and/or Town of Sawpit Cash**	**$45,565**		**No**
TOTAL	**$358,212**	**TOTAL**	**$338,212**	**$20,000**	**$358,212**

BUDGET BREAK DOWN INTO UNIT COSTS

Town of Sawpit Water System Upgrades

Engineer's Construction Estimate (PER) 3/9/2009

Description - Distribution System	Unit	Quantity	Unit $	Extension	Asset Status
1" HDPE Pipe & Fittings - (service line)	LF	280	$ 24.00	$ 6,720.00	LT
2" HDPE Pipe & Fittings	LF	375	$ 25.00	$ 9,375.00	LT
2" HDPE Pipe & Fittings - Rock Excavation	LF	160	$ 25.00	$ 4,000.00	LT
3" HDPE Pipe & Fittings	LF	575	$ 26.00	$ 14,950.00	LT
3" HDPE Pipe & Fittings - Rock Excavation	LF	725	$ 52.00	$ 37,700.00	LT
6" HDPE Pipe & Fittings - Directional Boring	LF	310	$ 225.00	$ 69,750.00	LT
6" HDPE Pipe & Fittings - Rock Excavation	LF	25	$ 60.00	$ 1,500.00	LT
2" Gate Valves	Ea	3	$ 850.00	$ 2,550.00	LT
3" Gate Valves	Ea	1	$ 1,250.00	$ 1,250.00	LT
6" Gate Valves	Ea	2	$ 1,500.00	$ 3,000.00	LT
2" Blowoff Assemblies	Ea	2	$ 1,225.00	$ 2,450.00	LT
Air Relief Valve Assembly	Ea	1	$ 1,500.00	$ 1,500.00	LT
Service Connections & Meter	Ea	24	$ 1,295.00	$ 31,080.00	LT
Gravel Allowance (Class 6)	Tons	624	$ 32.00	$ 20,000.00	In-Kind SMC
Underground Fiberglass Water Tank - Installed	Ea	1	$15,000.00	$ 15,000.00	LT
Stormwater Management	Ea	1	$ 7,000.00	$ 7,000.00	ST
Traffic Control	LS	1	$ 5,000.00	$ 5,000.00	ST
Mobilization	Ea	1	$15,000.00	$ 15,000.00	ST
			Construction Total	**$ 247,825.00**	
			Contingency (20%)	$ 49,565.00	
LT= Long-term Asset			CMT Budget (3%)	$ 7,434.75	
ST= Short-term Asset			Survey Budget (2%)	$ 4,956.50	
			CDOT/SMP Permitting (.05%)	$ 1,239.13	
			Engineer Admin. (4%)	$ 9,913.00	
			Project Total	**$315,033.38**	

Total project Cost includes $315,033.38 plus $43,178 in previously spent professional design services (surveying and engineering) = $358,211.

Construction Mobilization includes equipment and labor and is usually bid as one unit cost. It is not possible to give you all the labor costs, per hour cost, and number of hours until the Construction Mobilization firm is hired. However, it is likely that labor would average $50/hr.

CONCEPTS FOR BASIN EVALUATION AND PRIORITIZATION

The following will be used to evaluate a project submitted to the Southwestern Colorado Basin Roundtable:

Required:

A. Projects must be submitted on an application form used by the State IBCC and CWCB.
Form Submitted

All applicable sections must be completed.

B. Projects must address the values encompassed by the SW Basin Bylaws, especially the following goals and objectives:

- **Seek the involvement of all interested parties and stakeholders.** For this construction phase, Town of Sawpit is seeking grant support from the Department of Local Affairs/Energy Impact Assistance Funds ($175,000), and the Southwestern Water Conservation District ($25,000). San Miguel County is contributing $20,000 in gravel and the Town of Sawpit has already contributed about $18,000 and will contribute at least another $15,000. The Town will seek loan funding for the remaining amount from either the State Drinking Water Revolving Loan Fund or from DOLA.

- **Propose methods or projects, both structural and non-structural, for meeting any future needs as well as utilizing any unappropriated waters.** This project addresses the future needs for growth within Town of Sawpit and enables the town to use its water rights. Because of land constraints, the town can only expand by 3 new lots.

- **Promote the protection, conservation, and use of water in the Southwestern Colorado Roundtable area.** This project is for an existing community and will make the town's water system more efficient by reducing water loss. It will also improve water quality for town residents.

- **Promote the socio-economic sustainability of the Southwestern Colorado Roundtable area.** This project supports a historic community of working families, where the average income is below the state average.

- **Promote the protection and conservation of the natural environment, including the protection of open space.** This small community is located in the San Miguel River Canyon. Construction of the distribution system will be implemented in a way as to protect the natural environment, and is replacing existing lines and an existing tank. The project does not impact any wetlands or is not in a flood plain. By improving an existing community water system, we are not contributing to sprawl and new subdivisions.

C. Provide the financial details of the plan, including cost sharing and other possible funding sources. Give a financial overview and rough timeline for completion of the project.

A budget is included with the application. The total construction costs is $338,212. Construction will be completed in fall 2009.

To assist the Southwest Roundtable in determining whether and to what extent a proposed project meets the values set forth in the Bylaws, the following questions should be addressed separately as can reasonably be answered by the applicant.

1. What benefit(s) does the project provide? Are there multiple purposes?
Note: this does not mean that a single purpose project would be rejected, but for major funding requests, addressing multiple use needs would be an advantage. This project supports an existing community and an existing water supply, which is threatened due to it being over 100 years old. The new distribution system will be more efficient and reduce system loss. The new storage tank will allow the town to comply with state regulations by increasing chlorination time. This project will also include the addition of residential water meters which will allow the town to implement new rates in proportion to water use.

Additional benefits of the new water system are:

- Provides adequate capacity for peak demand under current demands
- Replaces aging lines that will lead to future problems
- Reduces on-going repairs and maintenance issues
- Replaces system deficiencies due to piecemeal construction, quality of pipe and fittings and lack of valving
- Provides reliable chlorine contact time.

2. Outline the steps needed for completion of the project. What permit issues must be overcome? How will funds acquired in this process be used to accomplish the final goal?
1) Final Engineering and Bid Documents have been completed.
2) Project will go to bid.
3) Construction Firm Hired
4) CDOT permit and San Miguel County permitting completed – these agencies are aware of the project and permits are expected
5) Construction begins to replace water lines, replace storage tank and install water meters.

Funds from the Basin Roundtable will be used for construction of the project.

3. For prioritization of different proposals and assessment of the merits of the plan, can this project be physically built with this funding. Are further studies needed before actual construction is commenced (if the project anticipates construction)? Will these studies or additional steps delay the completion of the project substantially?
The Town has applied for DOLA funding for $175,000. It is seeking Roundtable and Southwestern Funding to reduce the remaining amount to a more manageable loan amount. The project is ready to go as soon as all financing is in place.

4. How does the proposal envision and anticipate support from its beneficiaries or from other sources in addition to the funding requested here? Would a loan reasonably address

the needs of the applicant or, with a grant, should a recommendation be added to assess the future project status for ability to repay a portion of the grant? The Town of Sawpit has contributed financially to the project for survey and engineering costs and anticipates also contributing to the cost of construction. The town seeks grant funding to reduce the amount it must loan

5. What is the ability of the sponsor to pay for the project? What actions have been taken to secure local funding? Are there supporting factors which overcome the sponsor's inability to pay? (These could be related to basin water needs and compact considerations). The Town of Sawpit has limited funds to update its water system. Its only revenue is from sales tax and business license fees from one commercial business, the Sawpit Store. Sawpit receives about $7,700 per year from tap fees.

6. What alternative sources of water or alternative management ideas have you considered? Are there water rights conflicts involving the source of water for the project? If so, please explain. The town has limited options for providing water other than improving its current distribution system. There are no conflicts involving its water rights or the source of its water.

7. How has public input been solicited and is there local support for the project? Have the beneficiaries solicited funding, letters or other documentation to demonstrate support? The small community of Sawpit, approximately 45 people, is very supportive of this project. The Town will also hold a public meeting this summer to provide all details of the project.

8. Is there opposition to the project? If there is opposition, how have those concerns been addressed? No opposition exists.

9. How does the project affect the protection and conservation of the natural environment, including the protection of open space? This small community is located in the San Miguel River Canyon. Construction of the distribution system will be implemented in a way as to protect the natural environment. By improving an existing community water system, we are not contributing to sprawl or a new subdivision.

10. What is the impact of the proposed action on other non-decreed values of the stream or river? Non-decreed values may include things such as non-decreed water rights or uses, recreational uses and soil/land conservation practices. No impact

11. How does the project relate to local land use plans? If conflicts exist, how will these be addressed? The town is limited in its ability to grow due to geographic constraints and this project does not anticipate any additional growth other than already platted town lots.

12. Identify any intrabasin conflicts and how they will be addressed. N/A

13. Identify any interbasin impacts and how any conflicts would be addressed. N/A

14. How does the project support agricultural development or protect the existing

agricultural economy? By supporting an existing compact community, we are not contributing to sprawl and the decrease of agricultural lands.