

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
Agenda Item 11.e

Applicant: La Plata Archuleta Water District

Water Activity Name: La Plata Archuleta Water District Permitting

Water Activity Purpose: Technical Assistance Regarding Permitting

County: La Plata and Archuleta Counties

Drainage Basin: Animas River

Water Source: Possible sources include the Animas and Florida rivers, Piedra River, Pine River, Pine River Irrigation District, and the Animas-La Plata Project

Amount Requested: \$400,000 (Statewide Account)

Matching Funds: \$100,000 (WSRA Southwest Basin Grant), \$40,000 (Southwestern Water Conservation District), and \$10,000 (CDPHE) for Master Plan (Task 3)

Staff Recommendation
The proposed project will help meet consumptive water supply needs in the Southwest Basins. Staff recommends approval of up to \$400,000 from the Statewide WSRA Account to fund the La Plata Archuleta Water District Permitting for the La Plata Archuleta Water District contingent on resolution of the items in the issues/additional needs section.

Water Activity Summary:

The La Plata Archuleta Water District (District) was formed in 2008 to finance, construct, operate and maintain a public water distribution system for a four hundred square mile service area in La Plata and Archuleta Counties. The District's approved Service Plan includes 4,000 taps, or 9,720 people, by 2030. The system will ultimately include water diversion facilities, treated water tanks, water treatment facilities, about 200 miles of distribution pipelines, fire hydrants, water loading stations, including necessary pumps, valves and appurtenances.

The District planned a mill levy election this November, but after review of nearly 200 responses to a voter questionnaire and input from election consultants, the District's board decided to postpone the election. Voters' response indicated that the project is supported but new taxes would be an issue in the current economy. As a result, the District is pursuing a potential election in May 2010, which if passed would provide funding beginning in April 2011. Due to the election situation, the requested \$400,000 (Reduced from original request of \$500,000) of Statewide WSRA funds is crucial to the continued development of the project in 2010. Without these funds to continue permitting further development will be halted. The WSRA funds would expedite necessary pre-construction activities of permitting and environmental compliance (Task 4 of pre-construction activities) in order to begin construction as soon as funding is available.

A previously approved Southwest Basin WSRA grant for \$100,000 is being used to develop the Master Plan (Task 3 of pre-construction activities) in conjunction with grant funds from Southwestern Water Conservation District (\$40,000) and CDPHE (\$10,000). Following development and approval of the Master Plan, expected by December, the permitting required to construct the facilities can begin. Permitting is required to address environmental impacts, cultural resource impacts, water treatment plant design, La Plata County permits, and other issues. Permit applications will be based upon the master plan and designs, and will include numerous federal, state and local permits, such as a LPC Conceptual Development Plan Permits and consecutive Class II Construction Permits, US Army Corps of Engineers 404 Permit (nationwide or individual permit yet to be

determined), Colorado Department of Public Health and Environment Public Drinking Water permitting activities and others necessary to address environmental and cultural resource compliance.

Threshold and Evaluation Criteria

The application meets all four Threshold Criteria.

The application articulates how the project meets each of the Evaluation Criteria. This water activity does an excellent job of meeting the following Evaluation Criteria:

Promoting Collaboration & Cooperation: The water activity addresses multiple needs of La Plata County by providing an alternative water source to wells (often with poor quantity or quality) or water hauling. The District will provide water to three sub-basins within the Southwest Roundtable area (Animas/Florida, Pine, and Piedra). The District is exploring opportunities to coordinate with other water providers for jointly treating water for distribution, for purchasing treated water for distribution or for joint use of water supply pipelines.

Facilitating Water Activity Implementation: The water system has been in development for approximately 15 years. These funds will allow the permitting to begin at least 1 year earlier than waiting for a successful mill levy election in May, 2010. The requested funds are critical to the timely completion of this rural water distribution system.

Meeting Water Management Goals & Objectives & Identified Water Needs: The proposed project is an important SWSI "Identified Projects and Processes" (IP&P). The project will meet a major identified consumptive need in the Southwest Basins. The area faces increasing issues of groundwater overuse and water quality degradation, already forcing many residents to haul water. Conservation measures will be incorporated into facilities and water pricing to use water effectively.

The Water Activity Addresses Issues of Statewide Value: The project would complement the existing Master Plan work financed with WSRA basin funds. In addition the project would have a positive impact on the regional economy.

Funding Overview

The District is requesting full funding of the permitting from the WSRA with matching funds used for the Master Plan in the amount of \$100,000 from the Southwest Basin WSRA, \$40,000 from Southwestern Water Conservation District. A \$10,000 grant application has also been submitted to CDPHE for assistance with the Master Plan. The currently requested WSRA Statewide funds constitute about 73% of the total costs for Task 3 (Master Plan) and 4 (Permitting) of the pre-construction activities.

Discussion:

The District is listed in the SWSI June 2006 Water Supply and Needs Report for the Dolores/San Juan/San Miguel Basin, Table 8-3 "Detailed Identified Projects and Processes for Dolores/San Juan/San Miguel Basin". The Major Provider is listed as the La Plata Archuleta Water District and the Notes indicate "This District is needed to treat and distribute water. There is a gap if this District is not formed. Options include wells or water hauling." The District is now formed and is beginning the process to provide treatment and distribution of potable water to the area. Grant funding will help the District with the necessary steps to be a self-financing and self-supported entity. Successful permitting will help the District finance and construct the project. Due to the recent denial of a \$200,000 application to the Department of Local Affairs the requested funds are even more important to timely execution of the project.

Issues/Additional Needs:

- Please provide a detailed scope of work, budget, and schedule as a standalone document for the State's procurement process.

Staff Recommendation:

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All products, data and information developed as a result of this grant must be provided to the 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. In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

Reporting: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.