COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT
2009-2010 GRANT APPLICATION FORM

Appraisal & Feasibility Studies Required for Federal Assistance Under the Rural Water Supply Act in the Douglas County Region

Name of Water Activity/Project

Approving Basin Roundtable

$675,000		**Amount from Statewide Account**	$500,000
Total Amount of Funds Requested		**Amount from Basin Account**	$175,000

Application Content

Attachments

1. Reference Information
2. Insurance Requirements
3. WSRA Standard Contract
4. W-9 Form
5. Map of Project Region
6. Budget detail, in Excel file format
7. Detail of Feasibility Study, in Excel file format

Part A. - Description of the Applicant

1. Applicant Name(s): Douglas County Water Resource Authority

Mailing address:
Attn: Mark Shively
100 Third Street
Castle Rock, CO 80104

Taxpayer ID#:

Email address: markshively@mho.com

Phone Numbers: Business: (303) 888-9782

Home:

Fax:

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

Name:	Mark Shively
Position/Title	Executive Director

3. Eligible entities that may apply for grants from the WSRA include the following. What type of entity is the Applicant?

[x] Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.

[ ] Public (Districts) – special, water and sanitation, conservancy, conservation, irrigation, or water activity enterprises.

[ ] Private Incorporated – mutual ditch companies, homeowners associations, corporations.

[ ] Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.

[ ] Non-governmental organizations – broadly defined as any organization that is not part of the government.

4. Provide a brief description of your organization

Douglas County Water Resource Authority is comprised of nineteen members, consisting of municipalities, water providers, and County government pursuing water resource conservation, water education, and public policy concerning water issues in the region reliant upon Denver Basin groundwater in the Douglas County and S. Arapahoe County area. Approximately 325,000 residents live in the area. 98% are high school graduates, and 60% are college graduates. Average age is 34 years. 75% are married, 48% with children. The area is home to much of the South Metro Denver economic engine, a major component of the Front Range economy. 82% of the population believe water is the biggest issue facing the region. The region lies in the center of the bullseye in the Department of Interior's Water 2025 "conflict" map. The region is looking at replacing much of its current water supply, not just adding to supply. A significant portion of the gap identified by SWSI occurs in this region, which is now reliant upon Denver Basin groundwater.

The Authority was formed in the mid-1990's to address water supply concerns in the wake of the failure of the Two Forks Dam and Reservoir project. DCWRA partnered with Denver Water, CWCB, and the Colorado River Water Conservation District to produce the South Metro Water Supply Study, which was authored by Black and Veatch. The study explored conjunctive use opportunities and modeled regional water well level declines. The South Metro Water Supply Authority was spun off to focus on water supply, and in 2007 produced the Regional Water Master

Plan, and the 2008 Mid-Term Water Delivery Project Plan, both of which were written by CDM.

In 2007, 106,000 Xeriscape DVDs were mailed by DCWRA to every single family residence in the area under a matching funds grant from CWCB. A Colorado Foundation for Water Education survey found that 48% of recipients watched at least a portion of the program material. In 2008 pilot programs were conducted with school and homeowner association education efforts, and the Rural Water Supply Act was pursued. In 2009, the Authority raised a budget of $300,000. 160 high school students were trained to teach 2,000 fourth graders about water and conservation. The fourth graders discovered four hundred seven leaky toilets. Funding was created to teach 144 Middle School teachers about water and conservation. Three regional homeowners association meetings were held to describe best management practices in common area irrigation and water conservation issues. A You Tube video contest runs through July 4th. The contest invites all 70,000 students in the region to create a two to three minute water conservation video with a space twist. The winner will travel to Florida to watch a Space Shuttle launch. A DVD describing the importance of water in space and in our homes has just completed filming. It includes segments from astronauts and local students, as well as a water conservation tips segment, and supportive messages from a local water manager, a county commissioner, our US Senator, the Chair of the House Resources Subcommittee on Water and Power, and the new Commissioner of the Bureau of Reclamation.

The Authority passed a resolution earlier this year in support for a bill in Congress sponsored by Congressman Mike Coffman to extend tax relief to citizens installing EPA WaterSense compliant appliances in their homes. The bill has bipartisan backing, including Congresswoman Betsy Markey and Congressman Doug Lamborn of Colorado. In 2007 the Authority appointed a Federal Water Issues Committee to track the Rural Water Supply Act. Since that time the Authority has avidly pursued if and how the Rural Water Supply Act may be applied to the region. The Authority actively participates in a County sponsored work group work with Rural Water Authority interests, water providers, the South Metro Water Supply Authority, and County Government to explore if and how the Act can be applied to the region to help with planning regional watershed based infrastructure, and pursing Federal Loan Guarantees to help reduce the repayment costs associated with the construction of the regional water infrastructure. Website is www.DCWater.org.

5. The Contracting Entity is the same as the Applicant.

6. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A copy of this standard contract is included in Attachment 3. Please review this contract and check the appropriate box.

[x] The Applicant will be able to contract with the CWCB using the Standard Contract

[ ] The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between

grant approval and the funds being available.

7. The applicant believes the Tax Payer Bill of Rights (TABOR) does not limit the amount of grant money the entity can receive.

Part B. - Description of the Water Activity

1. Name of the Water Activity/Project:

Appraisal & Feasibility Studies Required for Federal Assistance Under the Rural Water Supply Act in the Douglas County Region.

2. What is the purpose of this grant application? (Please check all that apply.)

[X] Environmental compliance and feasibility study

[X] Technical Assistance regarding permitting, feasibility studies, and environmental compliance

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

Study or Analysis of:

- [X] Structural project or activity
- [ ] Nonstructural project or activity
- [X] Consumptive project or activity
- [X] Nonconsumptive project or activity

[ ] Structural and/ or nonstructural water project or activity

3) Overview/summary of the proposed water activity, including a description of the overall water activity and specifically what the WSRA funding will be used for:

In 2006 the President signed the Rural Water Supply Act into law. The Bureau of Reclamation has issued a Title I rule for the Act. The Appraisal and Feasibility studies will determine if and how the Rural Water Supply Act may be applied to the Douglas County/S. Arapahoe County areas that are currently dependent upon Denver Basin groundwater. The Act is limited to infrastructure and does not include consideration of water rights. The study will illustrate how to connect communities in the area and include additional rural communities in a regional watershed based water supply effort. If the studies are successful, the next step will be construction of the connecting infrastructure. Federal assistance in the form of loan guarantees may be included, and is a target of the applicant. The effort will also benefit from a planning relationship with the Bureau of Reclamation under the Rural Water Supply Act. The funding will be used to pay for the Appraisal study, and for the local non-Federal matching funds in the Feasibility study. Reclamation estimates typical Appraisal studies may cost up to $200,000 and take one-year to complete, while Feasibility could cost up to $2,000,000 and take two-years to complete. It is believed most of the study material required for Appraisal already exists, and can be readily assembled. Relying upon the Act, Title I, and planning documents routinely used by Reclamation, the applicant has worked to assemble a rough draft of an Appraisal document, so that the process can move swiftly through the Appraisal phase towards the Feasibility phase in the October 1, 2009 to September 30, 2010 time frame. The grant funding would be specifically used to complete any additional engineering studies, public outreach, and consultation activities required by the Bureau of Reclamation in the Appraisal study phase, and primarily for the engineering study, public outreach, and consultation tasks required in the Feasibility study phase. The deliverable from this study process will be a watershed based regional plan for the major spine of a water supply infrastructure project. The eastern spine in the region will extend from the E-470 and Smoky Hill Road vicinity south past Rueter Hess Reservoir towards the Castle Rock area. The western spine will extend from the C-470 and Santa Fe Drive vicinity south past Chatfield Reservoir towards the Castle Rock area. Much of this plan is already detailed in the CDM South Metro Water Supply Authority Master Plan's mid-term project, with additional opportunities to supply rural communities radiating out from these two major spines. If Denver Water consents to necessary water for the Palmer Divide Recharge Project, this will also be included in the planning process. The study process will determine if and how additional rural

users may be connected to the infrastructure of the regional water supply system. For purposes of this project rural communities are defined as those with populations of less than 50,000 persons. Larger communities may be included if their participation is critical to project success. All water users who believe they have a water supply problem, who embrace a regional solution, who exhibit the willingness and ability to pay, and who are ready to take action immediately are welcome to participate in this regional watershed infrastructure project. Success with this pursuit of the Rural Water Supply Act may lead to additional successful pursuits by other entities on the Front Range and in Colorado.

Part C. – Threshold and Evaluation Criteria

a) Describe how the water activity meets these **Threshold Criteria.**
b) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.[1]

The Rural Water Supply Act deals with infrastructure only. It specifically does not deal with water rights.

[1] 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental greements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

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.

c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.[2] Specifically describe how the water activity either furthers the Roundtable's basin-wide water needs assessment or meets a consumptive or non-consumptive water supply need identified in the Roundtable's working needs assessment.

The S. Metro Denver segment of the S. Platte River Basin was identified as the most water short region in the State of Colorado by the SWSI process. This activity helps plan and potentially provide financial relief to construct a regional watershed based water infrastructure project to connect communities now dependent upon non-renewable Denver Basin groundwater. This infrastructure is part of a solution for one of the most pressing water supply issues in Colorado. This project represents a structural method to meet these needs as identified in the SWSI Initiative process, and provides the foundation for delivering water to the entirety of the area.

[2] 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

d) Matching Requirement: For requests from the Statewide Fund, the applicants is required to demonstrate a 20 percent (or greater) match of the request from the Statewide Account. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the application was submitted to the CWCB. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in Part D of this application)

The total ask is $675,000.00. The Basin grant of $175,000 represents twenty-six percent of the total ask. In-kind hours contributed is $40,000. Other in-kind direct costs are $40,000. Total in-kind contribution is $80,000. The basin ask of $175,000 plus the in-kind contribution of $80,000 represents a total match of $255,000, or thirty-four percent. The Statewide Account ask is for the remaining $500,000.00. Funds not expended in the Appraisal study phase should be carried forward and made available for the Feasibility study phase. This is a continuing project. Local participants have already contributed hundreds of thousands of dollars to studies which will be considered in this process. Additional cash contributions from local participants are expected. In addition, the potential for a 50/50 Federal match on the Feasibility phase will be pursued. It is expected that there will be serial distribution by CWCB of the requested Water Supply Reserve Account funds. With a Federal Matching funds contribution of $675,000, the local match would grow to $150,000 in-kind and $300,000 cash. In this way local, IBCC, and Federal funds contributed to the effort total $1,800,000. IBCC contribution would be 38%, Federal contribution would be 38%, and local contribution would be 25%.

2. Description of how the water activity meets the **Evaluation Criteria.**

Promoting Collaboration and Cooperation - This project is an opportunity to bring together large water providers, small water providers, and individual well users to pursue a regional watershed based solution.

Facilitating Implementation - The planning assistance from Reclamation, coupled with the potential financial assistance in the form of Federal loan guarantees, facilitate implementation of a regional watershed based solution.

Urgency, window of opportunity - It typically takes years, and even decades, to plan a water project. The needs of the region are now believed to be inside the normal time horizon for planning, and it is therefore urgent that the current efforts move along forthwith.

Least amount of time - The planning assistance of Reclamation, coupled with the potential financial assistance in the form of Federal loan guarantees makes for the most potent combination of factors to move this effort along in the least amount of time.

Expertise and ability to implement - The significant experience of water providers in the region, coupled with the expertise of the Bureau of Reclamation, makes for the greatest expertise and ability to

implement this effort.

Matching funds - Funds from the Metro Basin Roundtable, coupled with in-kind contributions, total $255,000. The ask of the Statewide fund is $500,000. This arrangement represents a 34% cost share. Federal matching and contribution of local funds can result in a 38% IBCC share, 38% Federal Share, and 25% local share.

Need for financial assistance - Estimated total cost for a regional replacement water solution is $3.5 billion dollars, at a time when most citizens in this region are paying for their existing water systems. The need for financial assistance in the form of potential Federal Loan Guarantees is great. This grant funding to perform the required studies is critical.

Meets SWSI objectives: The effort is the foundation for implementation of future water supply plans in an area of 325,000 residents, including rural areas where there are no identified plans to meet future needs, and implements the project identified in SMWSA Master Plan mid-term plan. Infrastructure is needed to address the gap identified in SWSI, and this grant application is submitted in accordance with Roundtable process. The Metro Roundtable has accepted SWSI's findings, so the needs assessment is complete.

Promotes water conservation and efficiency, reuse. The applicant delivers no water, and thus has no conservation plan, but sponsors one of the most ambitious water resource conservation efforts in the State. Member organizations do have conservation plans. Most GPCD rates cluster in the mid-140s, with one member at 134 GPCD, likely the best effort in the State of Colorado. Governor Ritter and CWCB have called these regional water conservation efforts "exemplary". Conservation will not be sacrificed for infrastructure. Conservation is an integral part of a solution, but infrastructure will ultimately be needed.

Issues of Statewide Values: There is a high level of benefit in relation to the amount of funds requested. The ultimate water supply solution's cost is pegged at $3.5 billion, which will be funded by local resident water users in the region. This planning effort complements other CWCB programs because when implemented, instream flows from the reuse components will provide base flows for environmental benefits in Cherry Creek and Plum Creek. There is the potential for future demand for CWCB loans to finance water projects. This efforts supports the State's economic vitality and competitiveness in national and international markets because the S. Metro area is the epicenter of one of the major economic and job creation engines. Reliability of water supply is a critical component of the region's economic success. Is it critical to provide a stable water supply for existing populations. In as much as the region is now inside the traditional planning horizon for water projects, it is critical that this process move along at this time.

Part D. – Required Supporting Material

1. Water Rights, Availability, and Sustainability

The region relies upon non-renewable water sources that go with the land. Proposed planning is a prelude to sustainable water rights. Therefore this effort concerns infrastructure only, not water rights.

2. A brief narrative of related or relevant previous studies includes:

Numerous studies describe water supply issues in the Douglas County/S. Metro area, including the S. Metro Water Supply Authorities Master Plan (CDM) and its Mid-term Interim Infrastructure Plan (CDM), S. Metro Water Supply Study Group (Black & Veatch), SWSI (CDM), and the Colorado Foundation for Water Education's Citizen's Guide to Denver Basin Groundwater. In addition, many entities in the region have performed additional tasks that dovetail with these studies.

Statement of Work

WATER ACTIVITY NAME - Appraisal & Feasibility Studies Required for Federal Assistance Under the Rural Water Supply Act in the Douglas County Region.

GRANT RECIPIENT – Douglas County Water Resource Authority

FUNDING SOURCE - Metro Roundtable, Water Supply Reserve Account (WSRA), S. Metro Water Supply Authority, DCWRA member agencies, and individual government members.

INTRODUCTION AND BACKGROUND

In 2006 the President signed the Rural Water Supply Act into law. The Bureau of Reclamation has issued a Title I rule for the Act. The Appraisal and Feasibility studies will determine if and how the Rural Water Supply Act may be applied to the Douglas County/S. Arapahoe County areas that are currently dependent upon Denver Basin groundwater. The Act is limited to infrastructure and does not include consideration of water rights. The study will illustrate how to connect communities in the area and include additional rural communities in a regional watershed based water supply effort. If successful, the next step will be construction of connecting infrastructure. Federal assistance in the form of loan guarantees may be included, and is a target of the applicant. The effort will benefit from a planning relationship with the Bureau of Reclamation. The grant funding will be specifically used to complete any studies, public outreach, and consultation activities required by the Bureau of Reclamation in the Appraisal study phase, and primarily or the engineering study, public outreach, and consultation tasks required in the Feasibility study phase. The deliverable is a Federal Feasibility study of a watershed based regional water supply infrastructure project. The next step after Feasibility is the actual construction of the infrastructure project. The needs of the region have been demonstrated by multiple studies, including the South Metro Water Supply Study, SWSI, the South Metro Water Supply Authority Regional Master Plan, and other documents. The studies point to this need being one of the greatest in the State, to both the needs of a growing community as well as the need to replace existing assets for existing residents, that several alternatives have been examined, and that the best direction is to move forward forthwith on shared infrastructure in the region.

OBJECTIVES

1) Move effectively through the Appraisal study phase of the Rural Water Supply Act to the Feasibility study phase.
2) Move effectively through the Feasibility study phase to construction.

Scope of Work

Overview of Phases and Tasks of Project

Phase One: Preparation for Appraisal Study

Phase One, Task One: Form IGA, appoint Cooperating Committee

Form intergovernmental agreement (IGA) between Douglas County Water Resource Authority (grant recipient), South Metro Water Supply Authority, and the Rural Water Authority of Douglas County. IGA members shall meet monthly to serve as the Cooperating Committee for the Appraisal phase. Cost of this Task is $7,500. $2,000 is for administration (26.6 hours @ $75 per hour) and $5,500 is for legal expense (31.4 hours @ $175 per hour). Duration of the task is six weeks, beginning July 2009, ending August 2009. This task furthers IBCC goals by Promoting Collaboration and Cooperation. This project is an opportunity to bring together large water providers, small water providers, municipalities, County Government, and individual well users to pursue a regional watershed based solution. The IGA represents the legal framework for this collaboration and cooperation. The deliverable is the IGA. It is estimated that local cash and in-kind contribution will fund Tasks 1 through 8.

Phase One, Task Two: Hire Project Manager, Consulting Engineering Firm

Define scope of work, hire a project manager and an engineering consulting firm. (Environmental consulting and Federal lobbying activities may not be needed at this time in the process.) Cost of this task is $5,000. All $5,000 is for administration (26.6 hours @ $75 per hour). Duration is three weeks, beginning in July 2009 and ending in August 2009. This task furthers IBCC goals by hiring the vendors who will Facilitate Implementation of this planning project, pursue Implementation of the planning project in the Least Amount of Time, provide Expertise and Ability to Implement the planning project, and further Collaboration and Cooperation of participants in the watershed. The deliverable is the contract. Local cash and in-kind contribution will fund Task 2.

Phase One, Task Three: Review of Draft Appraisal Application by Cooperating Committee

The Cooperating Committee will perform an internal review of the draft Appraisal application for conformity with the Rural Water Supply Act and the Title I rule. Cost of this task is $7,500. $1,500 is for the Project Manager (8.5 hours @ $175 per hour, $4,000 is for the engineering consultant (17.7 hours @ $225 per hour), and $2,000 is for administration (26.6 hours @ $75 per hour). Duration is

three weeks, beginning in July 2009 and ending in July 2009. This review task will allow members of the cooperating committee to uncover any holes we see in our methodology at an early phase in order to make sure our efforts are on target. This review furthers IBCC goals by moving this study project forward in the Least Amount of Time, and enhancing Collaboration and Cooperation in the watershed. The deliverable is the internal review document. Local cash and in-kind contribution will fund Task 3.

Phase One, Task Four: Reclamation Comparison of Draft to Conform to Federal Regulation

Solicit feedback from Reclamation as to fulfillment of draft with Rural Water Supply Act and the Title I rule requirements. Cost of this task is $5,000. $1,000 is for the Project Manager (5.7 hours @ $175 per hour, $3,000 is for the engineering consultant (13.3 hours @ $225 per hour), and $1,000 is for administration (13.3 hours @ $75 per hour). Duration is 3 weeks, beginning in August 2009 and ending in August 2009. This review task furthers IBCC goals of moving this study project along in the Least Amount of Time by interfacing with Reclamation both to ensure that they understand proposed direction of the scope of the study is in fact on course with Reclamation's study process for this effort, and furthers Collaboration and Cooperation between local entities and Reclamation. The deliverable is the comment from Reclamation. Local cash and in-kind contribution will fund Task 4.

Phase One, Task Five: Revise Appraisal Draft to Conform to Federal Regulation

Revise draft Appraisal application in wake of feedback from Reclamation. Cost of this task is $10,000. $2,000 is for the Project Manager (11.4 hours @ $175 per hour, $6,000 is for the engineering consultant (26.6 hours @ $225 per hour), and $2,000 is for administration (26.6 hours @ $75 per hour). Duration is 3 weeks, beginning in August 2009 and ending in September 2009. This review task furthers IBCC goals by incorporating Reclamation's Expertise and Ability to Implement this study project early in our efforts. The deliverable is the revised draft. Local cash and in-kind contribution will fund Task 5.

Phase One, Task Six: Federal Stakeholder Outreach in DC

Conduct Federal Stakeholder outreach, including efforts to meet with House Subcommittee staff on Water & Power, Colorado Congressional delegation members, staff, Interior Secretary Salazar, Reclamation Commissioner Conner, and OMB. Federal authorization for construction, and financial assistance in the way of Federal loan guarantees, will likely be needed at the completion of Phase 3 of this project, so it is appropriate to communicate with the authorizing committees in the Congress to update progress and make them aware of our project and our pending desire for construction and financial assistance. Cost of this task is $10,000. $10,000 is for project management (57.1 hours @ $175 per hour). Duration is one week, beginning in September 2009 and ending in September 2009. This task furthers IBCC goals by Promotion Collaboration and Cooperation between the local water participants, the Roundtable process, and the Federal Government, Communicates the project's Urgency, and the Window of Opportunity that exists to address the region's problems while this task is still readily manageable. These contacts may also be valuable in the consultation process (Task 11). The deliverable is these meetings. Local cash and in-kind contribution will fund Task 6.

Phase One, Task Seven: Attend Reclamation's Regional Directives & Standards Meeting

Attend regional meeting with Reclamation on directives and standards for program Cost of this task is $7,5000. $7,500 is for project management (42.8 hours @ $ 175 per hour). Duration is one week, beginning in 200 and ending in 200. This task furthers IBCC goals by Facilitating Implementation of the project. Directives and Standards will give further detail to interested participants as to how the program will be administered by Reclamation. The deliverable is attendance at the meeting. Local cash and in-kind contribution will fund Task 7.

Phase One, Task Eight: Formally Submit Appraisal Study Application to Reclamation

Submit Appraisal application to Reclamation Cost of this task is $7,500. $2,500 is for project management (14.29 hours @ $175 per hour, $2,500 is for consulting engineering (11.1 hours @ $225 per hour, and $2,500 is for administration (33.3 hours @ $75 per hour). Duration is one week, beginning in October 2009 and ending in October 2009. Submission of this application furthers IBCC goals by formally requesting Reclamation's Expertise and Ability to Implement a project that furthers SWSI goals by creating the foundational infrastructure to implement future water supply plans in an area of 325,000 residents, including rural areas, to address the gap identified in SWSI. The deliverable is the application. Local cash and in-kind contribution will fund Task 8.

Phase 2 - Appraisal Study

Phase Two, Task Nine: Public Involvement Process

Upon acceptance of Appraisal application by Reclamation, perform public engagement program. Cost of this task is $22,500. $22,500 is for administration (300 hours @ $75 per hour). Duration is ongoing through the process, but will focus intently on the five week period beginning in January 2010 and ending in February 2010. This task furthers IBCC goals by engaging the public in a discussion of the window of opportunity that exists to address the water issues in the region, address part of the SWSI gap, and contribute to the future success of a region of the State that has important economic implications for much of the job growth in the Metro area. The public engagement process can promote a sense of Collaboration and Cooperation in the region to address these issues. The deliverable is holding the public engagement program meetings, as well as the PowerPoints or literature created for the meetings. IBCC grant funding is anticipated to be applied to Tasks 9 through 15. The IBCC grant will fund Task 9.

Phase Two, Task Ten: Consultation Process

Perform required consultation work with elected officials, state, and Federal agencies. Cost of this task is $17,500. $15,000 is for project management (85.7 hours @ $175 per hour), and $2,500 is for administration (33.3 hours @ $75 per hour). Duration is six weeks, beginning in January 2010 and ending in March 2010. This task furthers IBCC goals by promoting Collaboration and Cooperation

amongst State agencies, Federal agencies, and local elected officials. This consultation will Facilitate Implementation of the project in the Least Amount of Time by demonstrating the Urgency of the situation and the Window of Opportunity that exits to address the issue, and show how the inclusion of Reclamation in the project incorporates the Expertise and Ability to Implement a solution, as well as the need for financial assistance that may be met in the form of Federal Loan Guarantees. The deliverable is the consultation meetings. The IBCC grant will fund Task 10.

Phase Two, Task Eleven: Formally Submit Appraisal Study Document, Request Feasibility

Collate public comment and consultation efforts, assemble with Appraisal draft, submit final study document to Reclamation. (*Further description of the Appraisal tasks is found on page 19 and 20 of this Grant application.*) Cost of this task is $25,000. $5,000 is for project management (28.5 hours @ $175 per hour), $15,000 is for consulting engineering (66.6 hours @ $225 per hour), and $5,000 is for administration (66.6 hours @ $75 per hour). Duration is three weeks, beginning in May 2010 and ending in May 2010. Submission of this draft furthers IBCC goals by Facilitating Implementation of the project, requesting that the process proceed to the Feasibility phase. The deliverable is the completed submitted Appraisal document. The IBCC grant will fund Task 10.

Phase Two, Task Twelve: Cure Deficiencies in Appraisal Study

Revision to cure any deficiencies in the Appraisal documentation, make request for Feasibility study with proposed scope of study attached, including intentions with regards to FONSI, EA, or EIS pursuit. (The time and cost of subsequent work during Feasibility depends to a large extent upon this environmental work determination.) Cost of this task is $40,000. $5,000 is for Project Management (28.5 hours @ $175 per hour), $40,000 is for consulting engineering (177.7 hours @ $225 per hour), $10,000 is for Environmental Study (44.4 hours @ $225 per hour), and $5,000 is for administration (66.6 hours @ $75 per hour). Duration is three weeks, beginning in May 2010 and ending in May 2010. This task furthers IBCC goals by Facilitating Implementation of the project study process in the Least Amount of Time possible. The deliverable is the revised Appraisal submission document. The IBCC grant will fund Task 11.

Phase 3 - Feasibility Study

Phase Three, Task Thirteen: Hire Project Manager, Identify Sponsor, Hire Consultants

If and when Appraisal study is accepted by Reclamation and permission is given to proceed to the Feasibility study process, the local non-Federal sponsor will be identified, a Project Manager and an engineering consulting firm will be hired for the study. A team of project cooperators will be assembled from the list of consultation effort contacts. Work will also be needed for environmental consulting, and Federal stakeholder outreach activities. Cost of this task is $25,000. $20,000 is for outreach (160 hours @ 125 per hour), and $5,000 is for administration (66.6 hours @ $75 per hour). Duration is three weeks, beginning in July 2010 and ending in August 2010. This task furthers IBCC goals by Facilitating Implementation of the project and promoting Collaboration and Cooperation. The

deliverable is the contract with the Project Manager and consulting firm. Federal matching funds are anticipated to be applied to Tasks 13 through 17. In Task 13, $12,000 of the total cost of $25,000 is Federal matching funds and $13,000 is IBCC grant funding.

Phase Three, Task Fourteen: Supervise Work in Conjunction with Coordinating Committee. This represents the largest task undertaken by this process. **Please see additional detail for this task, attached as an Excel file**, and the following description:

Supervise engineering and consulting work, hold monthly update sessions with Reclamation, consulting engineers, and project cooperators through Feasibility study phase, including permitting. A determination will be made as to how underlying entities will contract to repay constructions costs of the project to the local non-Federal entity who will construct the project, and demonstrate the benefits of Federal loan guarantees. This task will see most of the money and time expended to define exactly what project should be constructed. (*Additional description of this task is found attached as an Excel file.*) Cost of this task is $1,357,500.00. $150,000 is for project management (857.1 hours @ $175 per hour), $975,000 is for consulting engineering (4,333.33 hours @ $225 per hour), $140,000 is for environmental studies (622.2 hours @ $225 per hour), $70,000 is for outreach (560 hours @ $125 per hour) and $22,500 is for administration (300 hours @ $75 per hour). Duration is twenty-six weeks, beginning in August 2010 and ending in February 2011. This task furthers IBCC goals by Facilitating Implementation of a study to define the infrastructure that will deliver a regional water solution to address part of the gap detailed in SWSI in the most water short region of the State, as determined by SWSI. The deliverable is the ten topic "chapters" of the Feasibility study, detailed separately, including Purpose and Need, Study Background, Feasibility Study Process, Affected Environment, Alternatives, Evaluation of Alternatives, Comparison of Alternatives, Recommended Plan, and Consultation and Coordination. Of the total cost of $1,357,500, $552,000 is IBCC grant funds, $625,000 is Federal matching funds, and $180,500 is local match.

Phase Three, Task Fifteen: Formally Submit Feasibility Study, Request Construction

Submit Feasibility study to Reclamation. Cost of this task is $50,000. $10,000 is for project management (57.1 hours @ $175 per hour), $20,000 is for consulting engineering (88.8 hours @ $225 per hour), $10,000 is for Environmental Study (44.4 hours @ $225 per hour), and $10,000 is for administration (133.3 hours @ $75 per hour). Duration is three weeks, beginning in February 2011 and ending in March 2011. This task furthers IBCC goals by Facilitating Implementation of the project study process. The deliverable is submission of the study document to Reclamation. Of the total cost of $50,000, $5,000 is covered by the IBCC grant, $5,000 is Federal match, and $40,000 is local match.

Phase Three, Task Sixteen: Cure Deficiencies in Feasibility Study

Cure deficiencies in study to satisfaction of Reclamation. Cost of this task is $110,000. $7,500 is for project management (42.8 hours @ $175 per hour), $80,000 is for consulting engineering (355.5 hours @ $225 per hour), $10,000 is for Environmental Study (44.4 hours @ $225 per hour), $5,000 is for Outreach (40 hours @ $125 per hour), and $7,500 is for administration (100 hours @ $75 per hour).

Duration is six weeks, beginning in May 2011 and ending in June 2011. This task furthers IBCC goals by Promoting Collaboration and Cooperation between the local non-Federal sponsor, the Bureau of Reclamation, and Congress. Curing deficiencies will illustrate the need for financial assistance in the form of Federal loan guarantees, and identifies regional opportunities for efficiency, reuse, and water conservation. The deliverable is the revised feasibility document. Of the $110,000 cost, $25,000 is Federal match and $85,000 is Local match.

Phase Three, Task Seventeen: Resubmit Feasibility Study to Reclamation, Request Construction

Resubmit Feasibility study to Reclamation. Perform stakeholder outreach at the local, State, and Federal levels. Cost of this task is $50,000. $10,000 is for project management (57.1 hours @ $175 per hour), $25,000 is for consulting engineering (111.1 hours @ $225 per hour), $5,000 is for Environmental Study (22.2 hours @ $225 per hour), $7,500 is for Outreach (60 hours @ $125 per hour), and $2,500 is for administration (20 hours @ $75 per hour). Duration is three weeks, beginning in August 2011 and ending in September 2011. This task furthers IBCC goals by Facilitating Implementation of the process. The deliverable is submission of the study with supporting letters. Of the total cost of $50,000, $8,000 is Federal match, and $42,000 is local match.

Phase Three, Task Eighteen: Reclamation Submits Feasibility Report, with Ask for Construction

Reclamation prepares and submits the Feasibility report to Congress, requesting Congressional authorization for construction of project, including financial assistance in the form of Federal loan guarantees. Cost of this task is $42,500, and local match funds this task. $10,000 is for project management (57.1 hours @ $175 per hour), $25,000 is for consulting engineering (111.1 hours @ $225 per hour), $5,000 is for outreach (40 hours @ $125 per hour), and $2,500 is for administration (33.3 hours @ $75 per hour). While duration is one week, beginning and ending in November 2011, much of the outreach task is ongoing through the process, and culminates at with this submission task. This task furthers IBCC goals by Promoting Collaboration and Cooperation between State agencies, Federal agencies, Congress, the Administration, elected officials, and local water entities. Moving the process to construction Facilitates Implementation of the project. The report will demonstrate the Urgency of the need for the project, and the window of opportunity that exists to address the issues of the region. The report will show how the project can be constructed in the Least Amount of Time, and how the Expertise and Ability to Implement exists within Reclamation and the Cooperating partners. The report will make the case for how matching funds produced this work, with participation from Federal, State, and local interests. The report will outline the Need for Financial Assistance in the construction of the project in the form of Federal Loan Guarantees. The report will show how SWSI objectives are met by creating the infrastructure foundation for implementation of future water supply plans in an area of 325,000 residents, including rural areas where there are no identified plans, to meet future needs and address the gap identified by SWSI in the most water short region of the State. The report will identify opportunities for conservation, efficiency, and reuse. Conservation will not be sacrificed for infrastructure. Conservation is an integral part of a solution, but infrastructure will ultimately be needed. The report will show that Issues of Statewide Importance will be addressed by this project, and that there is a high level of benefit in relation to the amount of funds requested. The cost of the ultimate water supply solution for the

region is pegged at $3.5 billion, which will be funded by local resident water users in the region. This planning effort complements other CWCB programs because when implemented, instream flows from the reuse components will provide base flows for environmental benefits in Cherry Creek and Plum Creek. There is the potential for future demand for CWCB loans to finance water projects. This efforts supports the State's economic vitality and competitiveness in national and international markets because the S. Metro area is the epicenter of one of the major economic and job creation engines. Reliability of water supply is a critical component of the region's economic success. Is it critical to provide a stable water supply for existing populations. In as much as the region is now inside the traditional planning horizon for water projects, the report and request for construction will show that it is critical that this process move along at this time to the construction phase. The deliverable is the acceptance by Reclamation of the completed Feasibility document. The task of outreach is ongoing.

Phase 4 (not part of this effort) - Construction of Project

Phase Four, Task Nineteen: Project Construction begins January 2012

Work contemplated under this grant has ended. A successor entity incurs debt, constructs project, and assumes responsibility for repayment of the debt associated with construction of the project identified in the Feasibility report from Reclamation.

REPORTING AND FINAL DELIVERABLE

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 statement 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.

BUDGET

Please See Budget Detail, attached to this document

SCHEDULE

Task	Start Date	Finish Date
1 Enter Appraisal	Upon NTP	NTP + 90 days
2 Complete Appraisal	Upon NTP	NTP + 180 days
3 Enter	Upon NTP	NTP + 180 days

Feasibility		
4 Complete Feasibility	Upon NTP	12/31/11
5 Submit Final Report	NTP + 60 days	2/28/12
NTP = Notice to	Proceed	

APPRAISAL STUDY PROCESS - (Phases 1 and 2)

Summary

Introduction
- Purpose of Study and Scope
- Study Authority
- Setting
- Public Involvement
- Related Studies/Current Studies and Activities

Problems and Needs
- Planning Objectives and Constraints

Resources and Opportunities
- Existing Conditions
- Inventory and Forecast
  - Surface and Groundwater Supply
  - Surface and Groundwater Quality
  - Land Resources
  - Biological Resources
  - Cultural and Historic Resources

Alternatives
- Measures to Address Objectives
- Alternative Formulation
- Description of Alternatives
  - Future-Without-the-Project Condition
  - Alternatives
  - Alternatives Considered, Eliminated from Further Study

Potential Effects of the Alternatives
- Evaluation
  - Benefit/Cost Ratio
  - Degree alternative accounts for costs and actions

Degree alternative meets needs, solves problems
Environmental and social acceptability
Comparison

Consultation and Coordination
Public Involvement
Coordination with Other Agencies

Conclusions and Recommendations
Risks and Uncertainties
Recommendations

Appendix 1 - Draft study plan for Feasibility

Appendix 2 - Letter of intent to share costs of Feasibility

FEASIBILITY Study - Phase 3
(Please see attached Excel file detail of this phase, which carries most of the costs.)

PAYMENT
Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. 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 help promote the development of a common technical platform.

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

Signature of Applicant:

Print Applicant's Name: Douglas County Water Resource Authority

Project Title: Appraisal & Feasibility Studies Required for Federal Assistance Under the Rural Water Supply Act in the Douglas County Region.

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
To submit applications by Fax, send to: (303) 894-2578

Attachment 1
Reference Information

The following information is available via the internet. The reference information provides additional detail and background information.

Colorado Water Conservation Board (http://cwcb.state.co.us/)
Loan and Grant policies and information are available at – http://cwcb.state.co.us/Finance/

Interbasin Compact Committee and Basin Roundtables (http://ibcc.state.co.us/)

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 21st 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/

Attachment 2

Insurance Requirements

NOTE: The following insurance requirements taken from the standard contract apply to WSRA projects that exceed $100,000 in accordance with the policies of the State Controller's Office. Proof of insurance as stated below is necessary prior to the execution of a contract.

INSURANCE

Grantee and its Sub-grantees shall obtain and maintain insurance as specified in this section at all times during the term of this Grant: All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Grantee and the State.

A. Grantee

i. Public Entities

If Grantee is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended (the "GIA"), then Grantee shall maintain at all times during the term of this Grant such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. Grantee shall show proof of such insurance satisfactory to the State, if requested by the State. Grantee shall require each Grant with Sub-grantees that are public entities, providing Goods or Services hereunder, to include the insurance requirements necessary to meet Sub-grantee's liabilities under the GIA.

ii. Non-Public Entities

If Grantee is not a "public entity" within the meaning of the GIA, Grantee shall obtain and maintain during the term of this Grant insurance coverage and policies meeting the same requirements set forth in **§13(B)** with respect to sub-Grantees that are not "public entities".

B. Sub-Grantees

Grantee shall require each Grant with Sub-grantees, other than those that are public entities, providing Goods or Services in connection with this Grant, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Grantee and Sub-grantee employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent Grantees, products and completed operations, blanket Grantual liability, personal injury, and advertising liability with minimum limits as follows: **(a)**$1,000,000 each occurrence; **(b)** $1,000,000 general aggregate; **(c)** $1,000,000 products and completed operations aggregate; and **(d)** $50,000 any one fire. If any aggregate limit is reduced below $1,000,000 because of claims made or paid, Sub-grantee shall immediately obtain additional insurance to restore the full aggregate limit and furnish to Grantee a certificate or other document satisfactory to Grantee showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of $1,000,000 each accident combined single limit.

iv. Additional Insured

Grantee and the State shall be named as additional insured on the Commercial General Liability and Automobile Liability Insurance policies (leases and construction Grants require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).

v. Primacy of Coverage

Coverage required of Grantee and Sub-grantees shall be primary over any insurance or self-insurance program carried by Grantee or the State.

vi. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 45 days prior notice to the Grantee and the State by certified mail.

vii. Subrogation Waiver

All insurance policies in any way related to this Grant and secured and maintained by Grantee or its Sub-grantees as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Grantee or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

C. Certificates

Grantee and all Sub-grantees shall provide certificates showing insurance coverage required hereunder to the State within seven business days of the Effective Date of this Grant. No later than 15 days prior to the expiration date of any such coverage, Grantee and each Sub-grantee shall deliver to the State or Grantee certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Grant or any sub-grant, Grantee and each Sub-grantee shall, within 10 days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this **§13**.

Attachment 3

Water Supply Reserve Account Standard Contract

NOTE: The following contract is required for WSRA projects that exceed $100,000. (Projects under this amount will normally be funded through a purchase order process.) Applicants are encouraged to review the standard contract to understand the terms and conditions required by the State in the event a WSRA grant is awarded. Significant changes to the standard contract require approval of the State Controller's Office and often prolong the contracting process.

It should also be noted that grant funds to be used for the purchase of real property (e.g. water rights, land, conservation easements, etc.) will require additional review and approval. In such cases applicants should expect the grant contracting process to take approximately 3 to 6 months from the date of CWCB approval.

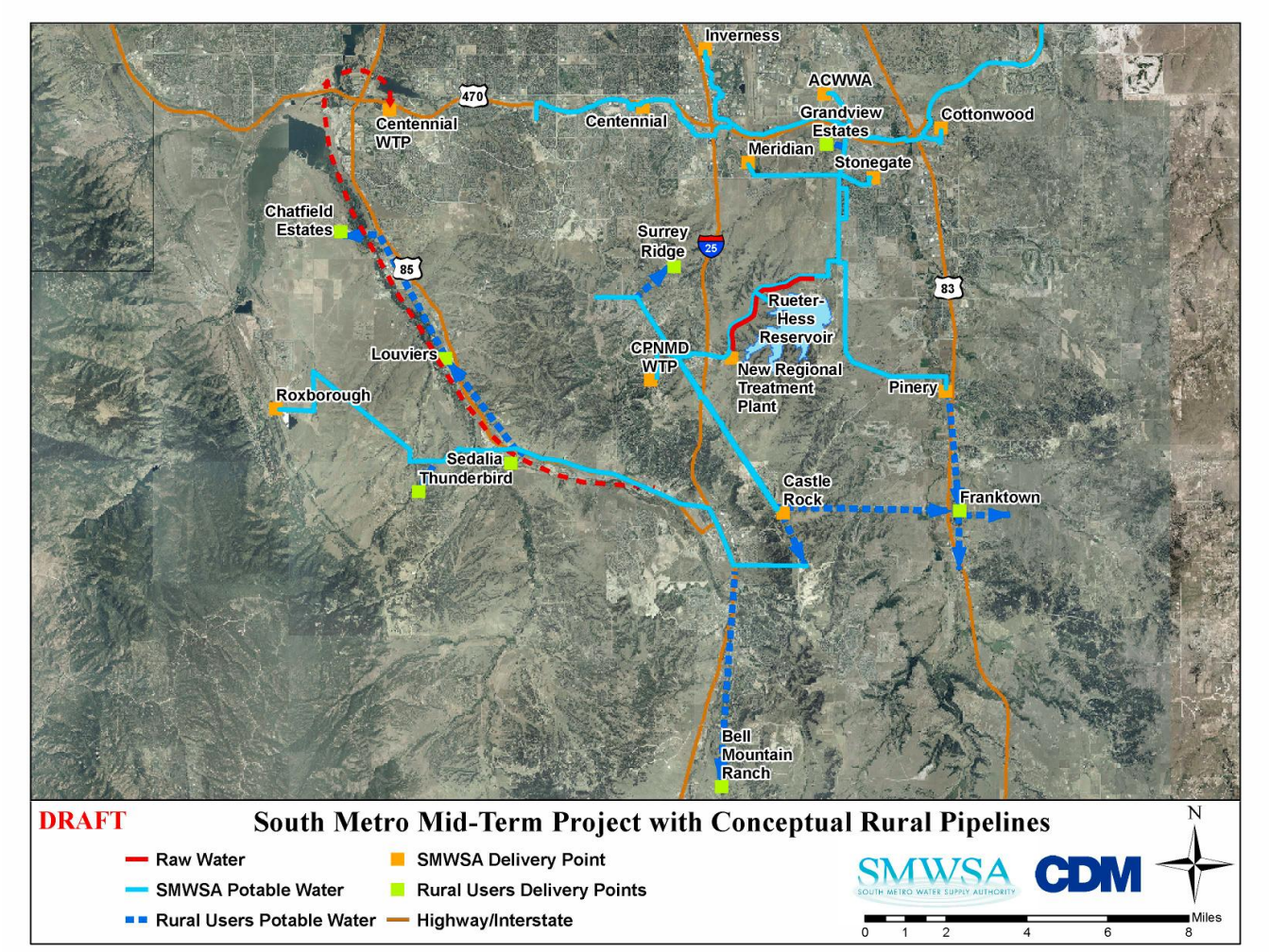
Attachment 4

W-9 Form

NOTE: A completed W-9 form is required for all WSRA projects prior execution of a contract or purchase order. Please submit this form with the completed application.

Attachment 5

Map of South Metro Mid-Term Project with Conceptual Rural Pipelines



Attachment 6

<u>Budget</u> - See attached Excel File

Attachment 7

<u>Detail of Feasibility Study</u>, Phase 2, Task 15, see attached Excel File.