COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT
GRANT APPLICATION FORM

L.E.D.E. Ditch and Reservoir Reconstruction Colorado Basin

Name of Water Activity/Project **Approving Basin Roundtable**

$225,000	**Amount from Statewide Account**	$175,000
Total Amount of Funds Requested	**Amount from Basin Account**	$50,000

Application Content

Application Instructions page 2

Part A – Description of the Applicant page 3

Part B – Description of the Water Activity page 6

Part C – Threshold and Evaluation Criteria page 8

Part D – Required Supporting Material

- Water Rights, Availability, and Sustainability page 12
- Related Studies page 12
- Statement of Work, Detailed Budget, and Project Schedule page 12
- Signature Page page 17

Attachments

1. Reference Information
2. Insurance Requirements (Projects Over $25,000)
3. WSRA Standard Contract (Projects Over $100,000)
4. W-9 Form (Required for All Projects)

Instructions

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable AND the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration/approval is outlined in Attachment 1.

Once approved by the local Basin Roundtable, the applicant should submit this application, a detailed statement of work, detailed project budget, and project schedule to the CWCB staff by the application deadline.

The application deadlines are:

- Basin Account – 60 calendar days prior to the bi-monthly Board meeting
- Statewide Account – 60 calendar days prior to the September Board meeting

Board Meeting Dates	Basin Account Deadlines	Statewide Account Deadlines
July 20-21, 2010	May 21, 2010	n/a
September 21-22	July 23, 2010	July 23, 2010
November 16-17	September 17, 2010	n/a
January 2011	60 days prior	n/a
March 2011	60 days prior	n/a
May 2011	60 days prior	n/a
July 2011	60 days prior	n/a
September 2011	60 days prior	60 days prior

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: http://cwcb.state.co.us/IWMD.

The application, statement of work, budget, and schedule must be submitted in electronic format (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Mr. Todd Doherty
Colorado Water Conservation Board
Water Supply Planning Section
WSRA Application
1580 Logan Street, Suite 200
Denver, CO 80203
Todd.Doherty@state.co.us

If you have questions or need additional assistance, please contact Todd Doherty of the Water Supply Planning Section at 303-866-3441 x3210 or todd.doherty@state.co.us.

Water Supply Reserve Account – Grant Application Form
Form Revised March 2009

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

1. Applicant Name(s): **Town of Gypsum**
Jeff Shroll, Town Manager

Mailing address: **P.O. Box 130**
Gypsum, CO 81637

Taxpayer ID#: **84-6012235** Email address: **jeff@townofgypsum.com**

Phone Numbers: Business: **(970) 524-7514**
Home: **(970) 471-3226 cell**
Fax: **(970) 524-7522**

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

Name: **Lana Gallegos**

Position/Title **Senior Planner, Town of Gypsum**

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

The Town of Gypsum is a Colorado Home Rule Municipality, charted under the Municipal Home Rule Act of 1971, and located in Eagle County, Colorado. The Town of Gypsum was formed by a commission duly elected on April 6, 1982, under the Colorado Constitution, Article XX, and then approved by special election held on September 14, 1982. The Town of Gypsum Water Activity Enterprise is the funding mechanism for this project.

Steve Carver, Mayor
Gary Lebo, Council Member
Richard Mayne, Council Member
Tim McMichael, Council Member
Tom Edwards, Council Member
Pam Schultz, Council Member
Kyle Hall, Council Member

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

The Contracting Entity will be 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.

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

[X] 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.

We have reviewed the standard contract and do have some items to mention that hopefully will not cause too much delay.

i. **Section 14. B, Notice and Cure Period – We would like to delete "Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Grant in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis". Instead of terminating without providing an opportunity to cure, we would like the State**

to be allowed to suspend the Town's performance. We would like to add language for Section 15.C.i. to read "Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice or a cure period and may immediately suspend Grantee's performance in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis".

ii. **Section 15, Remedies A. i. - We would like to clarify that the Town is prohibited from incurring further obligations after the date of receipt of any termination notice by adding "…in any termination notice, 'upon receipt of written notice,'… Grantee shall not incur " and also change "effective date" to "specified date".**

iii. **Section 15, Remedies A. ii. – We would like to add "…performance up to the date of 'receipt of any' termination 'notice'".**

iv. **Section 17, Rights in Data – Due to the extensive scope of the project, delivering "all of the Work Product" will result in numerous reports, permits, engineering documents, etc… Could this be narrowed down or available to the State upon request?**

v. **Section 18, Governmental Immunity – We would like to add "… boards, officials, and employees, 'or Grantee, its officials, employees, and agents' is controlled and limited by the provisions of the Governmental Immunity Act…".**

7. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant. -

Gypsum has a properly established enterprise for all water projects, as allowed by the TABOR law.

Part B. - Description of the Water Activity

1. Name of the Water Activity/Project: **L.E.D.E. Ditch and Reservoir Reconstruction Project**
   See attached maps for reference
   - **L.E.D.E. Vicinity Map**
   - **L.E.D.E. Reservoir Basin Map**
   - **L.E.D.E. Reservoir Alternative 3 Map**
   - **Study Area Map**

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

[ ] 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

[X] Structural and/ or nonstructural water project or activity

3. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for.

The Town of Gypsum owns the LEDE Ditch and LEDE Reservoir, which is located in the headwaters of Gypsum Creek, south of Gypsum. The original ditch and reservoir water rights are decreed absolute for irrigation uses up to 947 acre feet of storage. The existing LEDE Reservoir capacity is 431 acre feet. Gypsum seeks to increase capacity to accommodate continued agricultural irrigation, and for future water supplies to Gypsum Creek and the Town. Further, the ditch and reservoir require upgrades for aging facilities and to ensure compliance with state dam safety regulations, which were updated in 2007.

Irrigation in the Gypsum valley often depletes Gypsum Creek entirely, so that reservoir releases have become increasingly important for operating other water rights owned by Gypsum, and for irrigation use. The reservoir storage is expected to become more important as Gypsum's population expands over time. A recent feasibility study reviewed available water supply in the Gypsum Creek headwaters, estimating approximately 1,160 acre feet will be available annually for storage in an average precipitation year. Demands for irrigation and increased population were also examined, with a conclusion that expanding capacity in the ditch and reservoir was desired. Further, because the Town made a significant investment in the water rights for the ditch and reservoir, Gypsum seeks to preserve the full value of those water rights by ensuring maximum beneficial use.

Four alternatives were assessed, including a no action alternative. However, given the reservoir maintenance required even in a no action alternative, the additional capacity determination was recommended. In 2009, the Town requested and was granted a loan from the CWCB in order to construct Alternative #3 which would increase LEDE Reservoir capacity from 431 acre feet to 685 acre feet at an estimated construction cost of $3,162,000. During this loan process, members of the CWCB encouraged the Town to continue pursuing the possibility of ultimately constructing Alternative #4 at an estimated cost of $3,995,015 which would reach the full decreed water rights of 947 acre feet.

The Town has continued to include engineering considerations for Alternative #4 while we move forward with improvements. The Town will be able to fund most of the additional monies necessary to increase the scope of the current project to the full 947 acre feet with the assistance of grant funding from the Colorado Basin and Statewide accounts. Therefore, we are requesting a total of $225,000 to supplement additional cash funding from the Town and other sources.

This project does not expect to be exempt from U.S. Corps of Engineers 404 (Dredge and Fill) Permitting requirements. Under the initial engineering review, a determination will be made if the contemplated repairs and increased dam size could impact any wetlands through inundation or fill. If any wetlands permitting will be required, the project timeline has built in time for wetlands delineation and permitting application, so a determination can be made.

The Town has a Special Use Permit from the Forest Service for proposed work. Gypsum anticipates that the project work will fall within the permit parameters, but does anticipate funding will be necessary to ensure permit compliance.

Part C. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria.** (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

   a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.[1]

   The L.E.D.E. Reservoir Reconstruction project is consistent with Section 37-75-102 of the Colorado Revised Statutes as it will further assist in the protection of the Town's existing water rights, located in the existing ditch and reservoir, which are decreed absolute for uses up to 947 acre feet of storage as well as protect the contractual obligations the Town has for agricultural purposes in the Gypsum valley.

   b) 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.

   Town Manager, Jeff Shroll, made a work session type presentation to the Colorado Basin Roundtable members on May 24th, 2010, with details describing the project and reasons for the request of needed funding. Members were to actually review the submitted application and conduct voting procedures at their June 28th meeting.

[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 agreements, 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.

2. 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 L.E.D.E Reservoir Reconstruction project meets the provisions of Section 37-75-104(2) of the Colorado Revised Statutes and it furthers the Roundtable's consumptive and non-consumptive water supply needs and supports several of the Statewide Water Supply Initiative recommendations:

- **It is a public project funded by a municipal water enterprise**
- **It is a structural water project**
- **The Town's matching contribution well exceeds the 20% match requirement**
- **It assists with major SWSI findings and goals such as assisting municipalities to be able to meet future needs for agricultural and municipal growth, fully utilizes headwater entitlements, protects the environment, provides additional recreation and assists tourism, and it conservatively satisfies the town's water needs past the year 2050**

[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.

3. 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)

For the Statewide account request, the Town's matching contribution exceeds the 20% match requirement. Realizing the need and financially preparing for this water supply project has enabled the town to invest over 6 million dollars in purchasing water rights and constructing storage to meet this need.

Alternative #3: 431 acre feet to 685 acre feet

a) Town of Gypsum
- **i. Purchase of water rights and storage area, engineering, and attorney fees $2,838,000**
- **ii. Re-payment of loan from CWCB for construction of ditch and reservoir from 431 acre feet to 685 acre feet - $2,662,000**
- **iii. Cash infusion into construction of ditch and reservoir from Water Activity Enterprise Fund Town of Gypsum $500,000**

Alternative #4: 685 acre feet to decreed 947 acre feet

b) Town of Gypsum
- **i. Cash infusion (developer secured funding for water obligations) into Alternative #4 construction increasing reservoir storage size $445,000**
- **ii. Additional cash funds $50,000**

c) Colorado Roundtable Basin Request -$50,000

d) Statewide fund request $175,000

e) Additional funding sources being investigated

2. For Applications that include a request for funds from the Statewide Account, describe how the water activity meets the **Evaluation Criteria.** (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

Promoting Collaboration and Cooperation

The L.E.D.E. Reservoir Reconstruction addresses multiple needs for both consumptive and non-consumptive uses. It will supply the town's future municipal needs, provide water supply for agriculture uses, and helps maintain water levels in both the reservoir as well as in Gypsum Creek for recreational and environmental needs.

Facilitating Water Activity Implementation

Funding from the Statewide account will help reduce the uncertainty that the additional enlargement of the reservoir from the currently planned 685 acre feet to the full 947 acre feet available will take place. Funding would make a significant difference as it will enable the project to construct an additional 262 acre feet of in-basin storage water at a very reasonable cost of $3,177 per acre foot as we will be adding this additional storage while already completing Alternative #3 of the project bringing costs per acre foot down considerably. This request is directly tied to a certain "window of opportunity" as coming back years into the future to enlarge again is very remote due to economy of scale issues, additional permitting requirements, etc… Repair and replacement of ditch piping improvements will occur in 2010 with dam and reservoir construction occurring in 2011.

The town has hired Zancanella & Associates, Hollingsworth Engineering, J & K Inc., HP Geotech, and Patrick Miller & Kropf as engineers, surveyors and attorneys who have the expertise and ability to assist us in completing this project.

The town has contributed a significant amount of funding for the purchase of water rights, property and construction costs in order to get to achieve the currently planned 685 acre foot expansion and improvement and will further contribute additional funding to increase the project to the full 947 decreed acre feet. However, the town is unable to contribute the full estimated cost of $833,000 to expand the project from 685 to 947 acre feet and request consideration of this grant application.

Meeting Water Management Goals and Objectives and Identified Water Needs

The L.E.D.E Reservoir expansion from 685 to 947 acre feet supports objectives identified in the Statewide Water Supply Initiative as it assists in the goal to ensure wise management of Colorado's water resources, provides local water for future growth and development, and it allows additional water to be available for important environmental in-stream flows, habitats and recreational purposes. The project will also make new water available for use and it involves enlargement and rehabilitates existing facilities.

Water Activity Addresses Issues of Statewide Value

Supporting the additional expansion of this project will provide a very high level of benefit to Colorado in relationship to the expenses as constructing now is estimated to only cost $3,177 per acre foot while

attempting to construct this same 262 acre feet at a later date will cost several hundred thousand dollars more due to increased construction costs and remobilization, duplicate permitting requirements and approval costs, duplicate soft costs, etc… rather than constructing now while the reservoir is rehabilitated. Additional reservoir waters within Colorado will provide increased competitiveness in both national and international markets as it will improve backcountry experiences, attract additional visitors, and increase economic vitality to the Rocky Mountain area.

Part D. – Required Supporting Material

1. Water Rights, Availability, and Sustainability

This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights and the name/location of water bodies affected by the water activity.

Water Right	Case No. (Division 5 Water Court or Eagle County	Amount Decreed	Decreed Use	Appropriation Date	Adjudication Date
LEDE Ditch	Civil Action No. 963	15.23 cfs, absolute	Irrigation	June 11, 1931	October 3, 1936
LEDE Reservoir	Civil Action No. 963	473.5 AF Absolute, 473.5 AF Conditional, Made Absolute; Total 947 AF	Irrigation	June 10, 1093	October 3, 1936
Eye Lake Supply Ditch	Case No. 91CW254; 02CW235	20 cfs, conditional	Delivery of water into storage	April 27, 1966	August 23, 1991
Wolcott Reservoir	Civil Action 1529; Case No. 02CW235	600 AF, conditional	Municipal, industrial, domestic, irrigation, stock watering, augmentation and exchange, electric power generation, recreational, and all other associated municipal uses	April 27, 1966 (change of water right and exchange appropriation date May 4, 1992)	July 9, 1979 (change of water right and exchange adjudication date of 1993)
LEDE Ditch, Town Enlargement	Case No. 05CW292	30 cfs, conditional	Domestic irrigation, commercial, industrial, street washing, fire protection and all other municipal purposes including augmentation and exchange	October 7, 1998	December 30, 2005
LEDE Reservoir,	Case No.	400 AF,	Storage for	October 7, 1998	December 30,

Town Enlargement	05CW292	conditional	recreational, aesthetic, piscatorial purposes, domestic, commercial, industrial, street cleaning/washing, fire protection, all other municipal uses, augmentation and exchange		2005

Availability

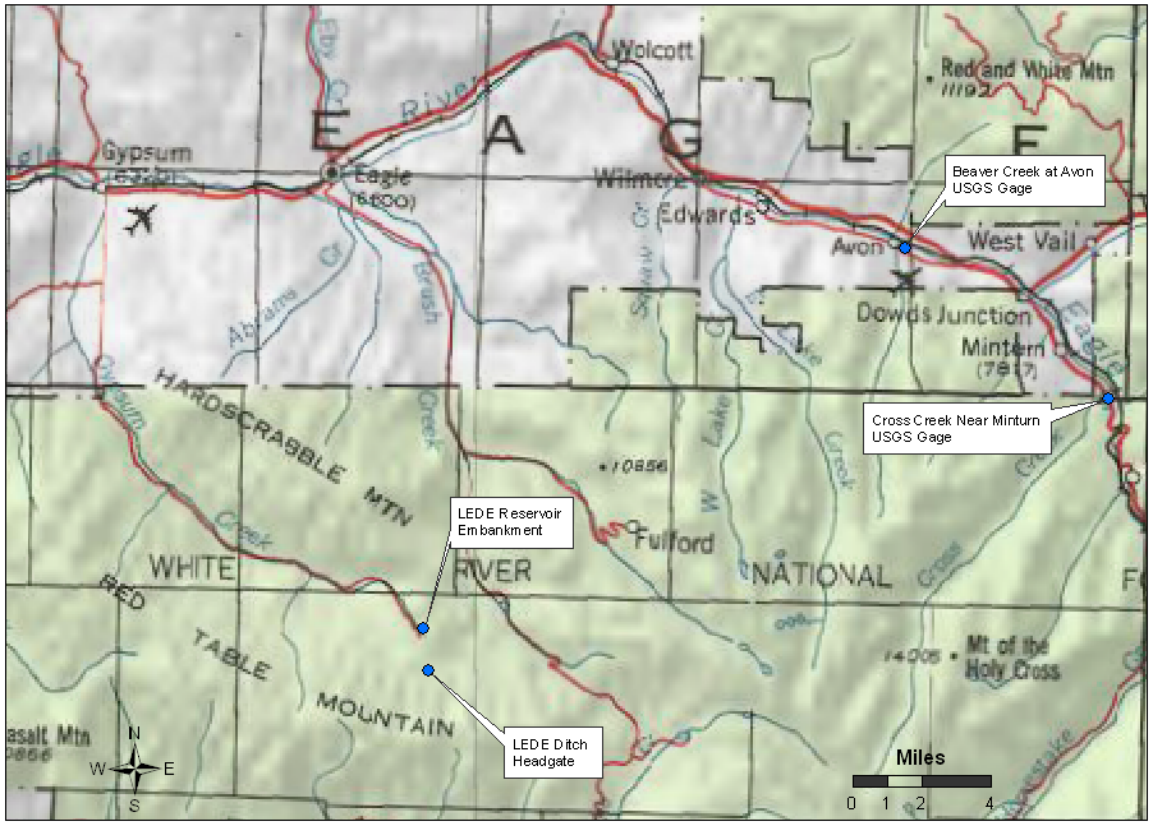
One significant consideration to be made as part of any evaluation of alternatives is the hydrologic yield available to the reservoir. Previous hydrologic yield analyses were conducted from 2002 to 2005. These analyses estimated yield by proration of discharge measurements from nearby watersheds on the sole basis of drainage area ratio as determined for LEDE Reservoir by hand delineation from topographic quadrangles. An underlying assumption of this method was reliance on elevation and proximity to approximate precipitation and runoff characteristics. As the discharge measurements which were used originated from gage sites situated well below the relative position of LEDE Reservoir, the discharge estimates were skewed down due to less precipitation and runoff in the lower portion of the gaged drainages. On this basis it was formerly estimated that the hydrologic yield physically and legally available for diversion and storage in LEDE Reservoir was about 615 acre-feet (ac-ft) annually on average. As just described, this is believed to be less than may actually be available. Therefore, a new hydrologic yield analysis has been prepared using information which was not accessible at the time of the previous analyses. While there is no substitute for site measurement, evaluation methodologies have significantly changed in the last few years. Gypsum has also been in the progress of obtaining actual field data in recent years.

LEDE Reservoir stores water from two small catchments: the catchment directly upgradient of the embankment in the headwater area of the Gypsum Creek watershed, and the catchment up-gradient of the headgate of the LEDE Ditch in the headwater area of the Antones Cabin Creek watershed. Neither catchment is monitored by a flow measurement station, so no site specific historical discharge data is available for hydrologic analysis. The only historical flow data available are diversion records, which do not accurately reflect the hydrologic yield, as they are based on infrequent observations of diversion and storage operations as conducted historically without the benefit of accurate measuring devices, upgraded infrastructure or the need to supply water for municipal uses.

Although there are no flow measurement stations on the subject catchments, there are similar watersheds nearby for which high quality discharge data are available for a meaningful period of record. Given the lack of site specific data, the best available

means of estimating the yield of the catchments which supply LEDE Reservoir is correlation based on hydrologic parameters to the similar nearby watersheds from which discharge is measured. Two such watersheds are Beaver Creek and Cross Creek. These watersheds are not only nearby but also have slope and aspect characteristics similar to the LEDE Reservoir catchments as well as flow measurements covering meaningful periods of record more recent and complete than those of the gaged basins used in the previous analyses. Surface water discharge from Beaver Creek has been measured consistently since the early 1970s by the USGS Beaver Creek at Avon, Colorado gage, site number 09067000. Surface water discharge from Cross Creek has been measured consistently since the late 1950s by the USGS Cross Creek Near Minturn, Colorado gage, site number 09065100. The subject locations are depicted generally below.

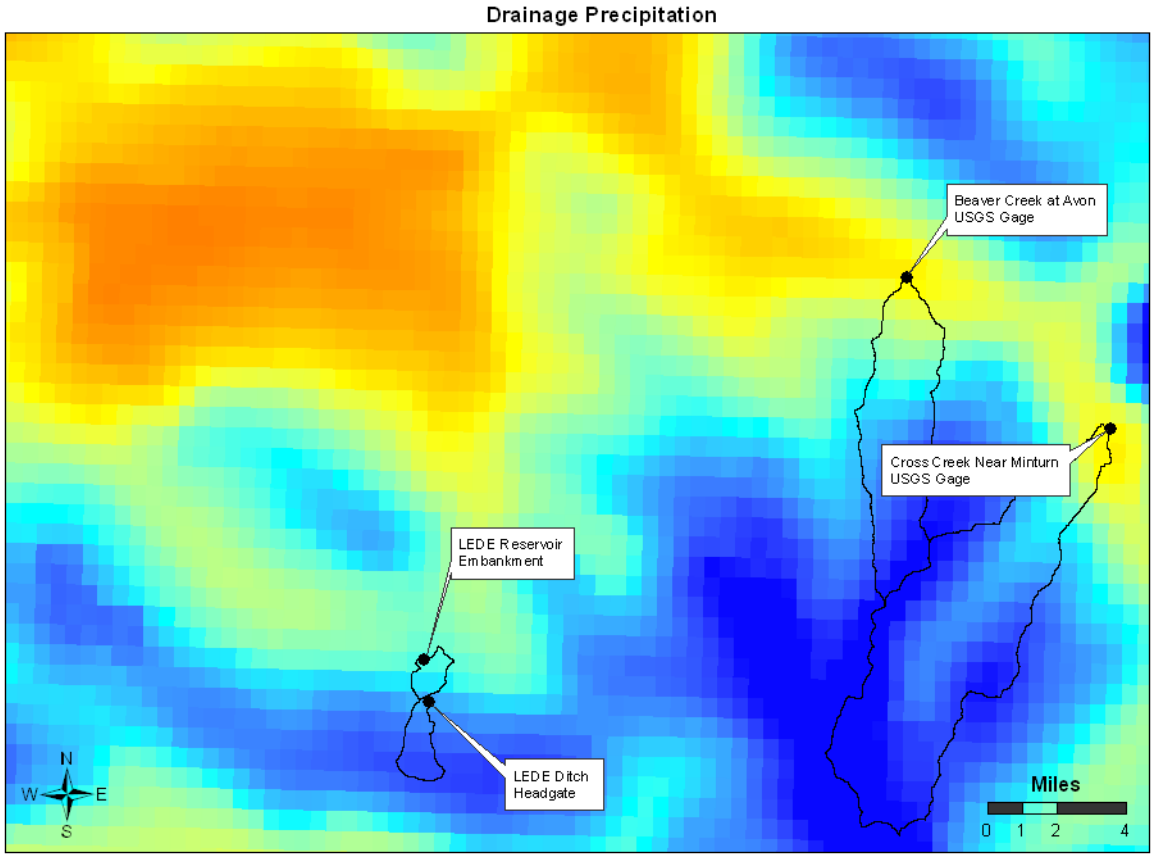
General Locations



A number of hydrologic parameters govern watershed discharge, so sufficient information for perfect correlation cannot be developed without excessive effort and expense. Adequate correlation is, however, likely attainable by considering just a few of the most important parameters. Chief among these is precipitation. Barring any transbasin input, a watershed can only discharge that water, or more accurately, a portion of that water which falls from the sky as precipitation landing within its drainage area. Another important parameter is land cover, which along with other characteristics affects

the proportion of the precipitation which becomes discharge. For example, a catchment composed primarily of bare rock will discharge a larger percentage of its precipitation than will a densely forested catchment. Quantification of these parameters allows for significantly improved hydrologic yield estimation compared to the area proration method previously utilized.

In order to determine the amount of precipitation available to the subject catchments and gaged watersheds, the drainage area for each was first determined by applying ESRI's ArcMap Spatial Analyst Watershed Tool to 1/3 arcsecond NED digital elevation data obtained from the USGS National Map Seamless Server. The amount of precipitation falling within each drainage area thus delineated was then calculated using ESRI's ArcMap Spatial Analyst Raster Calculator applied to 30-year (1971-2000) normal annual precipitation grid data published in 2006 by the Oregon State University PRISM Group, a USDA NRCS National Water and Climate Center partner. The drainage areas and average annual precipitation data are depicted below. Once the drainage area annual precipitation volumes were obtained it was possible to calculate the fraction of incident precipitation discharged by each of the gaged watersheds on average during the 30-year period using the precipitation volumes and USGS discharge data consistent with the period, shows 46% for Beaver Creek and 69% for Cross Creek. These percentages and other watershed information are tabulated below.



Watershed Information

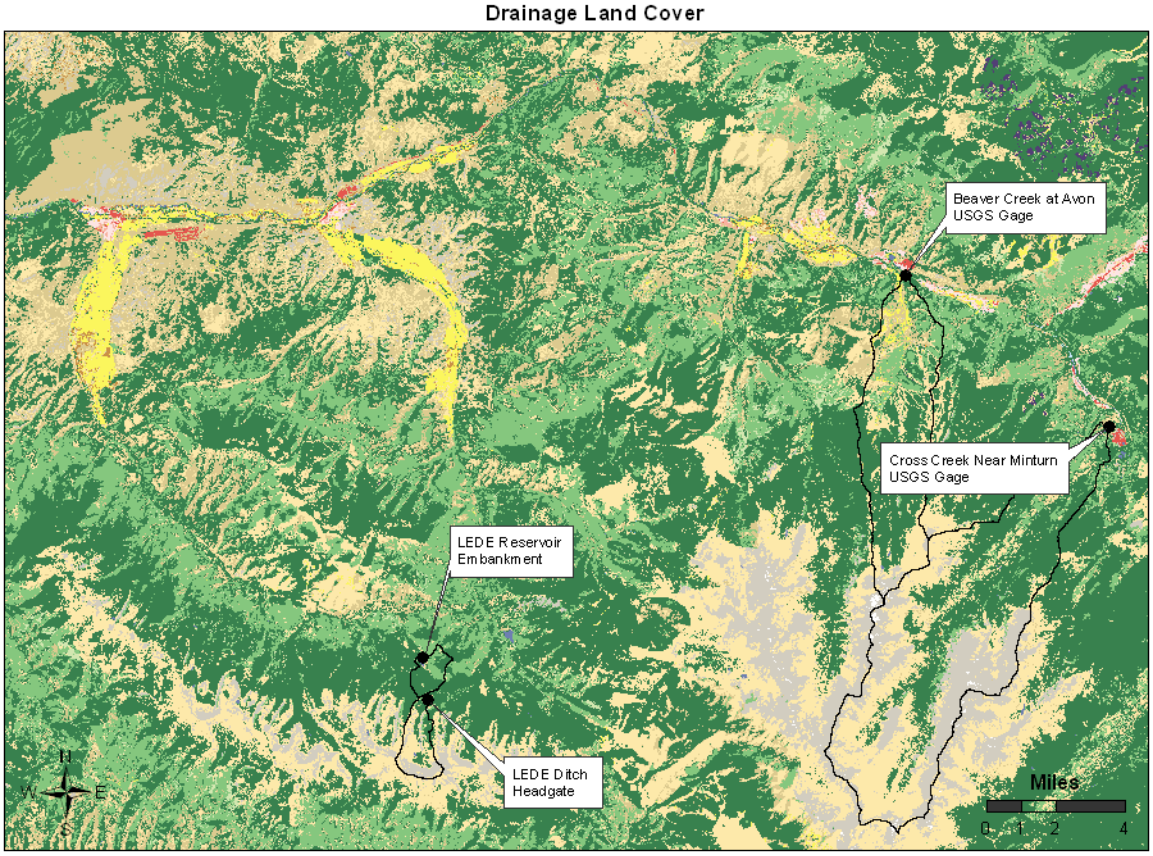
			(A)	(B)	(C)	(D)
			Watershed			
			LEDE		USGS	
			Reservoir	Ditch	Beaver	Cross
(1)	Drainage Area	[ac]	660	1,173	9,472	21,888
(2)	Drainage Area	[mi^2]	1.03	1.83	14.80	34.20
(3)	Maximum Elevation	[ft]	10,453	12,018	13,173	14,005
(4)	Minimum Elevation	[ft]	9,498	10,083	7,453	7,992
(5)	Average Precipitation	[in]	25.1	30.6	27.0	30.6
(6)	Precipitation Volume	[ac-ft]	1,378	2,995	21,289	55,745
(7)	Discharge Volume	[ac-ft]	-	-	9,862	38,697
(8)	Discharge Ratio	[%]	-	-	46	69
(9)	Bare Rock Ratio	[%]	0	25	4	23
(10)	Est. Discharge Ratio	[%]	20	70	-	-
(11)	Est. Discharge Volume	[ac-ft]	276	2,097	-	-

Notes:

(A)	The Gypsum Creek headwater catchment up-gradient of the LEDE Reservoir embankment.
(B)	The Antones Cabin Creek headwater catchment up-gradient of the LEDE Ditch headgate.
(C)	The Beaver Creek watershed up-gradient of USGS Site 09067000.
(D)	The Cross Creek watershed up-gradient of USGS Site 09065100.
(1)	The drainage area of each catchment or watershed in acres.
(2)	The drainage area of each catchment or watershed in square miles; equals (1) divided by 640.
(3)	The highest elevation within each drainage area based on 1/3" NED.
(4)	The lowest elevation within each drainage area based on 1/3" NED.
(5)	The area weighted average annual precipitation falling within each drainage based on PRISM.
(6)	The average annual precipitation volume falling within each drainage; same as (1) times (5) divided by 12.
(7)	The average annual discharge volume measured by each USGS gage for the period corresponding to (5).
(8)	The percentage of (6) represented by (7); equals 100 times (7) divided by (6).
(9)	The percentage of each drainage area covered by bare rock based on 1992 NLCD.
(10)	The discharge ratio for each catchment estimated based on (9).
(11)	The average annual discharge volume estimated for each catchment; equals (10) times (6) divided by 100.

In order to characterize the impact of land cover as a factor in the difference between the two watersheds' discharge percentages, Raster Calculator was again employed to characterize land cover within each drainage area based on 1992 NLCD land cover grid data obtained from the USGS National Map Seamless Server, showing that bare rock makes up about 4% of the land cover in the Beaver Creek drainage area and about 23% in Cross Creek. The land cover data is depicted below with bare rock in grey. Since LEDE Reservoir and Ditch catchments were found to consist of almost no bare rock in the Reservoir's drainage area and about 25% bare rock in the Ditch's drainage area, it is estimated that their average annual precipitation discharge percentages are about 20% and 70% respectively. Applying these percentages to the incident precipitation volumes already calculated, provides an approximate estimate of the average annual discharge from each catchment, namely, 276 acre-feet (ac-ft) from the Reservoir's catchment and

2,097 ac-ft from the Ditch's catchment for a total hydrologic yield of about 2,373 ac-ft.

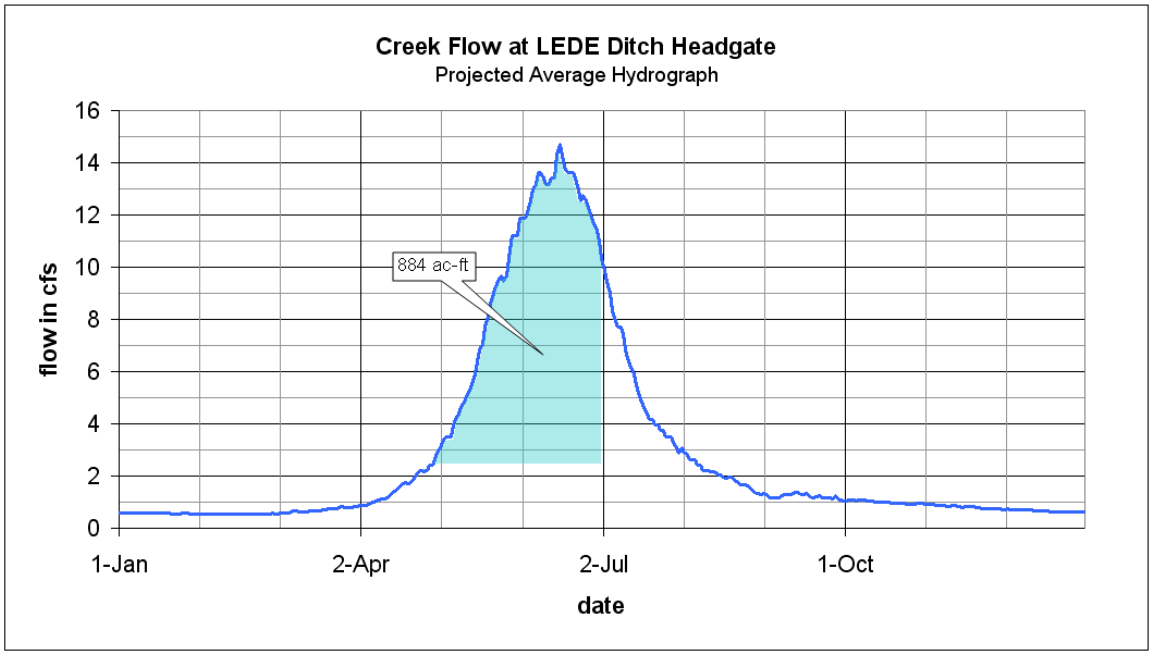


Although it is estimated that the LEDE Reservoir and Ditch catchments may yield an average of 2,373 ac-ft of surface water per year, not all of this water will be available for storage by the Reservoir due to operational considerations such as water rights administration and facility operations. In order to estimate the amount of water which would actually be available for storage given upgraded infrastructure, it is assumed that all 276 ac-ft from the Reservoir's catchment will be captured under the original irrigation water right, but that only the high water portion of the yield from the Ditch's catchment will be legally available for storage and diversion under the junior municipal enlargement. As one means of estimating how much of the 2,097 ac-ft annual discharge runs off during the high water period, the annual volume can be distributed to an annual hydrograph of average daily flow rates.

Based on a limited number of field observations, the catchment's hydrograph is believed to consist of a very low base flow with a limb rising steeply during the late spring to peak in mid June and then receding rapidly during the early summer back to the low base flow by late summer. As this pattern is also exhibited by the Beaver Creek gage data, the period of record average daily flow rate hydrograph from the gage was scaled to represent the Ditch catchment's annual discharge volume as an approximate representation of the catchment's average daily runoff pattern. This scaled hydrograph shows an average base flow approaching 0.5 cfs and an

average peak in mid June of over 14.7 cfs as shown below.

In average years, the CWCB minimum instream flow adjudication on Antones Cabin Creek will likely be the water right governing the Town's diversions through the ditch, although this assessment is considered to be conservative based on peculiarities of the creek which could result in even better legal availability for the Town. The CWCB right is for 2.5 cfs during the spring and summer months. Integrating the portion of the hydrograph above 2.5 cfs, yields about 1,095 ac-ft from around the beginning of May through the first week in August. If due to basin wide demand driven increase in future stress on the river system, a mainstem Colorado River call curtailed diversion as of the first of July as another conservative assumption, the truncated amount would be about 884 ac-ft.



This much has never been diverted before for several reasons. First, the existing diversion structure was not set up to handle snow and ice, which together with the difficulties of early season access, resulted in diversion not typically beginning until runoff had been underway for as long as a month or more. Additionally, the existing physical capacity of the ditch doesn't safely accommodate peak flows, the existing capacity of the reservoir does not allow for storage of so much volume, and the historical demand for water storage was much less. Although for these reasons less water was diverted and stored in the past, it is believed based on the analysis above that after infrastructure upgrades there will be about 1,160 ac-ft (276 plus 884) of water available for storage in LEDE Reservoir on average. In wet years more water may be available and in dry years less water may be available but on average improved facilities should be able to avail themselves of approximately this much water physically and legally available for diversion and storage in the reservoir.

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

Four alternatives were evaluated for this project. They include (1) No Action; (2) Repair and Rehabilitate the existing dam and infrastructure to current dam safety regulations; (3) Repair and upgrade the existing infrastructure and improve the dam to its highest storage yield verses risk parameters; and 4) Repair and upgrade the existing infrastructure and improve the dam to a capacity equal to its decreed storage volume of 947 AF.

Alternative #1. One course of action was the NO ACTION ALTERNATIVE. This option was not considered viable as the existing dam and spillway do not meet current dam safety regulations and there would likely be significant loss in storage capacity, due to safety restrictions being placed on the reservoir water level. The existing spillway is significantly under capacity and shows signs of erosion. The outlet pipe and control valve are showing signs of rust and deterioration, especially in the original section to the pipe, which are least 78 years old. The LEDE ditch would continue to periodically overtop and ditch failures would occur causing erosion on the hillside below. The NO ACTION ALTERNATIVE would not increase the yield of the reservoir nor accomplish any of the goals the Town seeks for the LEDE Reservoir.

Alternative #2. The second alternative was explored to bring the current dam and infrastructure up to 2007 dam safety regulations for a Small High Hazard Dam, without increasing capacity. This alternative would not increase the existing storage capacity or yield of the reservoir but would preserve the existing capacity. The operation and maintenance costs would be less than Alternative 1 but basically equal to Alternates 3 and 4. Alternative #2 did not assist with Gypsum's long term goals for meeting existing and growing water needs, and it risked losing some of Gypsum's water rights.

Alternative #3. The third alternative evaluated envisioned maximizing LEDE Reservoir storage yield within an acceptable and cost effective risk level by maintaining the assumed existing rating of a Small High Hazard Dam, the dam's jurisdictional height could be raised an additional 9.5 feet, to 49 feet, and maintain the same rating. This would raise the crest height of the dam 14.5 feet. The crest width would be extended to 20 feet. The existing outlet pipe would be replaced and the spillway would be modified in width and length downstream. In addition to the dam improvements, the LEDE ditch would require the installation of a new head gate, the first 860 feet of 30" CMP pipe requires joint repairs and an additional 1900 feet of the ditch be piped through the conifer area to increase water yield, minimize erosion and maintenance requirements, and improve head gate access. Approximately 254 acre feet of additional storage would be added to the dam, for a total of approximately 685 acre feet of storage. Maximum storage potential could be carried over from wet to dry years. The operation and maintenance costs would be less than Alternative 1, but basically equal to Alternates 2 and 4. The construction estimate for this alternative was $342,000 for the ditch and $2,820,000 for the dam for a total of $3,162,000. This is the alternative currently planned unless additional funding can allow us to proceed with Alternative #4.

Alternative #4. The fourth alternative was evaluated to both meet current dam safety regulations, and to increase the current dam and infrastructure up to the LEDE Reservoir's decreed capacity of 947 AF. As in Alternate #2 and #3, the LEDE Ditch would also require improvements. Contours were provided by Eagle County at 15' intervals for this evaluation. They were interpolated into the existing surveyed topography to obtain cross sections and storage area. Preliminary analysis showed that the dam height would have to be increased by 19.5 feet (to spillway) and the crest height 24.5 feet. The jurisdictional dam height would be approximately 59 feet high and the total height of the structure 69 feet. The construction estimate for this alternative was $342,000 for the ditch and $3,653,000 for the dam for a total of $3,995,000.

3. Statement of Work, Detailed Budget, and Project Schedule

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.

Please provide a detailed statement of work using the following template. Additional sections or modifications may be included as necessary. Please define all acronyms. If a grant is awarded an independent statement of work document will be required with correct page numbers.

Statement of Work

WATER ACTIVITY NAME – L.E.D.E. Ditch and Reservoir Reconstruction

GRANT RECIPIENT – Town of Gypsum

FUNDING SOURCE –

Project Cost for LEDE Ditch & Reservoir Alternative 3	**$3,162,000**
Loan Amount (84% of project cost)	**$2,662,000**
Contribution from Gypsum Enterprise	**$500,000**
CWCB Loan Payment Amount, including 10% loan reserve (2.5%)	**$138,839**
Total Estimated Annual Revenue over 30 year period	**$1,500,000**
Total Project Cost Per Acre Foot (685 AF)	**$4,616.00/AF**
Project Cost Increase from Alternative 3 to Alternative 4	**$832,515**
Water Supply Reserve Account – Colorado Basin Funding	**$50,000**
Water Supply Reserve Account – Statewide Funding	**$175,000**
Contribution from Gypsum Enterprise	**$445,000**
Other Sources Being Investigated	**$162,515**
Cost Per Acre Foot For Additional 262 AF	**$3,177.00/AF**

INTRODUCTION AND BACKGROUND

The Town of Gypsum, a Colorado Home Rule Municipality, owns the LEDE Ditch and LEDE Reservoir, which is located in the headwaters of Gypsum Creek, south of Gypsum. The original ditch and reservoir water rights are decreed absolute for irrigation uses up to 947 acre feet of storage. The existing LEDE Reservoir capacity is 431 acre feet. Gypsum seeks to increase capacity to accommodate continued agricultural irrigation, and for future water supplies to Gypsum Creek and the Town. Further, the ditch and reservoir require upgrades for aging facilities and to ensure compliance with state dam safety regulations, which were updated in 2007. Irrigation in the Gypsum valley often depletes Gypsum Creek entirely, so that reservoir releases have become increasingly important for operating other water rights owned by Gypsum, and for irrigation use. The reservoir storage is expected to become more important as Gypsum's population expands over time and additional water reserves are needed for environmental protection issues such as maintaining habitat areas and increasing stream flows.

OBJECTIVES

The Town seeks to insure reservoir capacity and avoid reservoir restrictions with repairs, firm up existing capacity, and increase capacity for LEDE Reservoir to accomplish the following goals:

a. Reclaim existing storage for agricultural use by assessing silt removal and lining.
b. Improve ability to release stored agricultural water by making repairs, lining, other.
c. Increase storage capacity to shore up agricultural rights secured in annexations.
d. Protect senior water rights in LEDE Ditch and Reservoir.
e. Meet state dam safety requirements for existing LEDE Reservoir.
f. Improve accessibility, potential recreation.
g. Improve Gypsum Creek flows and stream health.
h. Secure long term supplies available for agricultural use and/or lease.
i. Secure long-term municipal supply is adequate for anticipated growth.
j. Ensure contractual commitments for agricultural delivery are met.
k. Improve stream flow and enhance habitat in Gypsum Creek.
l. Explore hydropower potential with a renewable resource.
m. Pursue conservation goals with storage.

TASKS

TASK 1 – L.E.D.E. Ditch Improvements

Description of Task – **The work includes installing a new head gate, screen and bypass at the beginning of the ditch, to control the inflow and safely allow releases back to the creek.**

Method/Procedure - **The existing 30" CMP, beginning at this point, carries the ditch for 860 L.F. The pipe needs to be repaired at the currently leaking band joints. The cost estimate includes**
tightening and sealing of each of these joints. In the area where the ditch remains frozen late into the spring, through the conifer forest, we propose to install approximately 1900 L.F. of 30" HDPE. This will allow for better/longer transfer through the ditch in early spring and reduce significantly washout potential that presently occur. The piping will also help to maintain maximum allowable flow through the ditch.

In 2007 a control gate was installed at the beginning of section 2 and the starting point for the proposed 30" HDPE. The LEDE ditch and Antones Creek come back together at this point, which requires a bypass to control the releases back into Antones Creek and maintain minimum stream flow requirements. The maintenance road will be bladed and reseeded to maintain access to the upper end of the 30" HDPE section of the ditch. The access will be on top of the pipe/ditch.

Deliverable – **Replaces the severely aging ditch piping, ensures maximum flow through the ditch and reduces washout potential.**

TASK 2 – L.E.D.E. Reservoir Reconstruction

Description of Task – **Remove and replace existing dam**

Method/Procedure - **The wheel gate operator and dam outlet pipe are showing signs of wear and rust. Raising the dam height requires replacing the outlet pipe and replacing the trash rack. We propose that the entire outlet works be replaced. The excavation just for replacing the existing outlet pipe is significant. A large portion of the existing dam would need to be removed. For the cost estimate we assumed removing the entire existing dam and replacing it in place.**

In 2002, a site survey was performed that established project elevations for study purposes. The existing spillway elevation was determined to be 994.50. This is the basis for all of the elevations listed herein. The spillway elevation will be raised 9.5 feet to Elev. 1004.00. The dam crest will be raised 14.5 feet, to Elev. 1014.00 to maintain the necessary 5 foot of freeboard during peak flows. The 2007 state regulations require the dam crest width to be 20 feet. A grouted slurry/pressure grout cut-off wall expected to be required is 400 feet wide by 30 feet deep. This will be highly dependent upon further soil and geotechnical investigations. The spillway is required to meet current design standards for an IDF based on 0.70 PMP. The spillway will be widened to a base width of 40 feet from its current 16 feet. At a 2 percent slope, the depth of flow at the dam is 5 feet and with 5 feet of freeboard, which calculates 14.5 feet

dam crest height increase. We estimated that the spillway will require grouted riprap the entire length due to velocities and volume of flow.

Deliverable – **Meet compliance with the 2007 dam safety rules, replace aging and inoperable facilities, and allow additional capacity.**

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. **The Town of Gypsum is agreeable to this reporting process.**

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. **The Town of Gypsum is agreeable to this project completion reporting process.**

BUDGET

TASK 1- L.E.D.E. Ditch Improvements

LEDE Ditch Construction Estimate					
	Engineers Estimate				
Item	Description	Quantity	Units	Unit Price	Total Cost
1	Supply and install new bar screen and 30" wheel gate - Primary Head Gate	1	L.S.	$8,500.00	$8,500.00
2	Clean intake area and add to diversion embankment - Primary Head Gate	1	L.S.	$2,000.00	$2,000.00
3	Construct bypass/spillway to protect diversion area- Secondary Head gate	1	L.S.	$4,000.00	$4,000.00
4	Reset existing 30" wheel gate - Secondary Head Gate	1	L.S.	$1,000.00	$1,000.00
5	Supply and install 36" x 36" measuring weir with stilling well	1	L.S.	$5,000.00	$5,000.00
6	Supply and install replacement gaskets on existing 30" CMP	43	each	$250.00	$10,750.00
7	Supply and install 1900 lineal feet of 30" ADS N12 in existing ditch and cover for access road & reseed.	1,900	L.F.	$80.00	$152,000.00
9	SUB TOTAL				$183,250.00
10	Contingencies	20%			$36,650.00
	SUBTOTAL CONSTRUCTION				$219,900.00
11	Design	15%			$32,985.00
12	Permitting				$40,000.00
13	Mitigation	5%			$10,995.00
14	Construction Inspection	6%			$13,194.00
15	Legal Support				$25,000
TOTAL					$342,074.00

TASK 2 – L.E.D.E. Reservoir Reconstruction

ALTERNATIVE #4 – L.E.D.E. DAM CONSTRUCTION

ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL COST
1	Clear and grub both dam faces to remove large vegetation and burn remaining debris	2.5	AC	$3,000.00	$7,500.00
2	Excavate Existing Dam	30000	C.Y.	$8.00	$240,000.00
3	Furnish new embankment material	52700	C.Y.	$6.00	$316,200.00
4	Place new embankment material	85000	C.Y.	$8.25	$701,250.00
5	Furnish and install slurry/grout cutoff wall	20000	S.F.	$6.00	$120,000.00
6	Furnish and install new 18" outlet pipe with concrete cradle	350	L.F.	$95.00	$33,250.00
7	Supply and install new head gate (18" C 20 slide grate), bar screen and new hydraulic operator	1	L.S.	$10,000.00	$10,000.00
8	Widen spillway for design flood	3300	C.Y.	$110.00	$363,000.00
9	Rip Rap spillway inlet & outlet	550	C.Y.	$55.00	$30,250.00
10	Furnish and install new rip rap on upstream slope of dam	6200	C.Y.	$55.00	$341,000.00
11	Supply and install rock retaining wall at toe	100	L.F.	$100.00	$10,000.00
12	Furnish & install new gage cable with anchorage and markings	1	L.S.	$1,000.00	$1,000.00
13	Supply & install concrete dam survey monuments, and perform control survey on same	8	Each	$450.00	$3,600.00
14	SUBTOTAL				$2,177,050.00
15	Contingencies	20%			$435,410.00
16	SUBTOTAL CONSTRUCTION				$2,612,460.00
17	Design	15%			$391,869.00
18	Permitting	10%			$261,246.00
19	Mitigation	5%			$130,623.00
20	Construction Inspection	6%			$156,747.60
21	Legal Support				$100,000.00
22	**TOTAL**				**$3,652,945.60**

SCHEDULE

To follow is the proposed schedule for the project implementation.

Project component description	Beginning Date	Projected Completion Date
		2009
Improve LEDE Middle Section of Ditch to 30": • Notify Forest Service regarding ditch improvement • Estimate Cubic Feet per second flow rates (30-45 cfs) • Design of Pipeline • Preparation of Bid Documents • Publication of Bid Document and LEDE Pipeline Construction Requirements • Construct Pipeline LEDE	Spring, Summer 2009	Fall 2009
Review Out of Basin and In Basin Hydrology for Reservoir (Basin Yield) • Antones Creek • LEDE Reservoir	Spring, Summer 2009	Fall 2009
Hazard Classification Study • Dam Hydrology / PMF Review • Routing Study • Dam Classification (Possibility of Lower Classification)	Spring, Summer 2009	Fall 2009
Collection and Review of Soils Data	Spring, Summer 2009	Fall 2009
		2010
Assess United States Forest Service Requirements • Special Use Permit Boundaries • Potential Environmental Assessment • Biological Assessment • Wildlife Study • Potential Environmental Impact Statement	Fall 2009-December 2010	Dec-10
Eagle County Requirements • Grading Permit • 1041 Review of Alternatives	Spring - Summer 2010	Fall 2010
United States Army CORPS of Engineers • 404 Permit	Spring - Summer 2010	Dec-10
Colorado Dam Safety Review	Spring - Summer 2010	December 2010
Water Rights Review	Spring - Summer 2010	Fall 2010
Preliminary Dam Design	Summer 2010	Dec-10
		2011
Bid Dam • Design of Dam • Preparation of Bid Documents • Publication of Bid Document and LEDE Reservoir Construction Requirements	Winter 2010	
Begin Dam Construction	2011	2011

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. **This payment and tracking process is acceptable to the Town of Gypsum.**

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

Signature of Applicant: Jeff Shroll, Town Manager

Print Applicant's Name: Jeff Shroll, Town Manager, Town of Gypsum

Project Title: L.E.D.E. Ditch and Reservoir Project

Return this application to:

Mr. Todd Doherty
Intrastate Water Management and Development Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 200
Denver, CO 80203

To submit applications by Email, send to: todd.doherty@state.co.us

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 $25,000 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.

13. 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.

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Town of Gypsum

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ .....
☐ Other (see instructions) ▶

☒ Exempt payee

Address (number, street, and apt. or suite no.)
Box 130

Requester's name and address (optional)

City, state, and ZIP code
Gypsum, CO 81637

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number
84 : 6012235

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Mark Silcott Date ▶ 6/3/10

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,