

COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT GRANT APPLICATION FORM



Name of Water Activity/Project

\$35,000

Approving Basin Roundtable

Amount from Statewide Account

Total Amount of Funds Requested

Amount from Basin Account

\$35,000

Application Content

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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.

| | Part A | Description | of the Ap | plicant (I | Project S | ponsor or | Owner) |
|--|--------|---------------------------------|-----------|------------|-----------|-----------|--------|
|--|--------|---------------------------------|-----------|------------|-----------|-----------|--------|

| 1. | Applicant Name(s): | Montezi | Montezuma Valley Irrigation Company | | | | | |
|----|--|------------------|--|------------------------|---|------|--|--|
| | Mailing address: | P.O. Box | 11501 Hwy 491 P.O. Box 1056 Cortez, CO 81321 | | | | | |
| | Taxpayer ID#: | 84-0270210 | | Email address: | randycarver@msn.com | | | |
| | Phone Numbers: | Business: | (97 | 70) 565-3332 | | | | |
| | | Home: | | | | | | |
| | | Fax: | | | | | | |
| | | | | | | | | |
| 2. | Person to con | tact rega | ırdi | ng this appl | ication if different | | | |
| | Name: | Don I | Don Magnuson | | | | | |
| | Position/Title | MVIC Staff | VIC Staff | | | | | |
| 3. | Eligible entities that n Applicant? | nay apply for g | rants | from the WSRA inc | lude the following. What type of entity is th | ıe | | |
| | are encouraged to wo | rk with local er | tities | and the local entity | nd State of Colorado agencies. Federal agencies should be the grant recipient. Federal agencies a local partner cannot be the grant recipies. | eies | | |
| | Public (Districts) – sp enterprises. | ecial, water and | d sani | tation, conservancy, | conservation, irrigation, or water activity | | | |
| х | Private Incorporated - | - mutual ditch | compa | anies, homeowners a | ssociations, corporations. | | | |
| | Private individuals, pa for funding from the S | | | proprietors are eligib | ble for funding from the Basin Accounts but | not | | |
| | Non-governmental organizations – broadly defined as any organization that is not part of the government. | | | | | | | |

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| 4 | . I | Provide | a brief | descripti | on of you | ır organization |
|---|-----|---------|---------|-----------|-----------|-----------------|
|---|-----|---------|---------|-----------|-----------|-----------------|

Montezuma Valley Irrigation Company, a privately held corporation organized as a 501(c)12 non-profit corporation in the State of Colorado, was initially organized in 1880 to begin working to divert water from the Dolores River. This work consisted of a tunnel through the divide and a canal that cut across the Dolores Divide between the Dolores and San Juan Rivers. These projects were completed in 1889 and in 1892. The current MVIC received a decree for appropriation from the river of 64.6 cfs and a conditional decree for 1,234.4 cfs for a total authorization of 1,300 cfs. Later, of those remaining conditional rights, an additional 643 cfs was made absolute. Included in MVIC's water rights, are two reservoirs: Narraguinnep holds approximately 19,000 acre feet and Groundhog holds approximately 21,700 acre feet. Up until 1988, the 124 miles of canals delivered water to the shareholders from their direct flow rights and their rights from their reservoirs.

In 1977, MVIC entered into a contract with the Dolores Water Conservation District to transfer 505 cfs of their remaining 592 cfs conditional rights and all of their excess water rights for the benefit of receiving supplemental Federal Project Water through the Dolores Project. This benefit purchased by MVIC allowed for late season irrigation that was virtually unobtainable under their existing system. MVIC also gave up ownership to the Towaoc/Highline canal so that the Bureau of Reclamation could renovate it and use its existing route to supply the Ute Mountain Ute Indian Reservation. MVIC chose to remain unregulated from the government so as to maintain its private ownership and decrees under the State of Colorado. It currently supplies 45,000 acres of irrigated land under its system and has 1,404 shareholders.

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

Same

| 6. | of the | ie pi blisl | roject funded b | y the Wa | SRA grant. I with provision | n order | to expedite applicant m | the contraust adhere | acting p | eginning work on brocess the CWC copy of this standate box. | B has | |
|------|--------|----------------|-----------------------------------|------------|-----------------------------|---------|-------------------------|----------------------|----------|---|------------|---|
| | | ζ | The Applicar | nt will be | e able to contr | act wi | th the CWC | B using th | e Stand | lard Contract | | |
| | | | | any dev | viation from t | he stan | dard contrac | | • | ons/issues/concer a significant delay | | |
| 7. | | | x Payer Bill of le any relevant T | • | | | | _ | oney a | n entity can recei | ve. Please | |
| MVIC | is | a | privately | held | company, | and | to the | best of | our | knowledge, | does not | - |
| fall | | | under | the | Tax | : | Payer | E | sill | of | Rights. | |

Part B. - Description of the Water Activity

| Name of the Water Activity/Project: Groundhog Reservoir Bathymetric Survey | | | | | | | |
|--|--|--|--|--|--|--|--|
| 2. What is the | purpose of this grant application? (Please check all that apply.) | | | | | | |
| E | Invironmental compliance and feasibility study | | | | | | |
| Т | echnical Assistance regarding permitting, feasibility studies, and environmental compliance | | | | | | |
| S | tudies or analysis of structural, nonstructural, consumptive, nonconsumptive water needs, projects | | | | | | |
| S | Study or Analysis of: | | | | | | |
| | Structural project or activity | | | | | | |
| | Nonstructural project or activity | | | | | | |
| Consumptive project or activity | | | | | | | |
| | Nonconsumptive project or activity | | | | | | |
| X | ructural 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.

Montezuma Valley Irrigation Company is currently engaged in a system-wide analysis that will show us our needs pertaining to the accurate measurement of our diversions and usage. The two reservoirs owned and operated by MVIC, Narraguinnep and Groundhog are the focus of this application.

The flume located in Beaver Ditch, a feeder ditch where 150 cfs of MVIC absolute water is conveyed into Groundhog, is in need of repair. It is our intention to fix this flume so that it would accurately gauge our diversion. Furthermore, we intend to locate at this flume a remote measuring device so that we could get real-time data for historic use. Also, at the outlet structure, we are working with the Colorado Division of Natural Resources (DNR) to install a satellite telemetry device to accurately record releases from Groundhog. And finally, MVIC intends to conduct a bathymetric survey of the reservoir. The USGS bathymetric survey process would use an integrated multibeam and motion sensor sonar. Rather than getting single pass cross sections along a line at some interval, the multibeam collects the bottom surface as a 3-d model along a line across the reservoir. The multibeam passes are overlapped so that you get a complete bottom surface model of the reservoir. From this model it is then very easy to calculate the elevation-storage curve or any other type of volume calculation on the modeled surface, such as the approximate volume of an underwater delta formed by sedimentation. The final product would also include a map of the modeled surface below water line and it would be extended to some point above water line, such as some specified flood elevation. The WSRA funding will pay for this survey that would accurately establish the volume of Groundhog Reservoir at any elevation when data would be needed.

For Narraguinnep Reservoir, MVIC is currently building a structure to house Rubicon Gates to control flow into the Lone Pine Canal. The reservoir also supplies water to the canal through the west outlet of the reservoir. Better management of the canal may reduce the water needs in the reservoir. At this location, there will be a remote device to regulate flow and send data to our SCADA system so that we can accurately read releases and gather historical real-time data. MVIC is working with DNR to provide real-time monitoring of both discharges from Naraguinnep Reservoir and the flow in the Lone Pine Canal just downstream of the reservoir.

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Part C. – Threshold and Evaluation Criteria

- 1. <u>Describe how</u> 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

Nothing in this project will impair water rights protected by CRS 37-75-102. The project will improve the administration of basin water rights by accurately measuring the storage capacity of Groundhog Reservoir for use by the water commissioners in the administration of water rights. It will also give real time data of both Groundhog and Narraguinnep reservoirs.

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^{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.

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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.

A conceptual plan and funding request was presented to the roundtable held in Durango on November 10th and the general consensus was to allow the application to proceed provided MVIC knew that funding was very limited and subject to shortage. It was noted that the application for Totten Reservoir submitted by the DWCD was approved, and this application should be afforded the same consideration. In an effort to minimize costs, USGS would conduct the survey at the same time period as it would the Totten Reservoir.

c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.² The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

If approved, please refer to the letter from Basin Roundtable Chair.

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)

MVIC is currently constructing the Rubicon Gate structure for Narraguinnep releases and will begin fixing the Beaver Ditch flume as soon as the weather permits – probably late summer when that ditch is not running. This work will require riprap and stabilizing the structure and, if needed, will be set level so as to accurately measure inflow. We are going to install an ultrasonic device to measure the flow and satellite telemetry equipment to transfer the data to the MVIC office. Also, MVIC has ordered the telemetry equipment for the reservoir discharge which DNR will install when weather permits. MVIC will improve the building that this equipment will set in to prevent vandalism.

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

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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.

Groundhog Reservoir was initially constructed in 1907 by 200 men, 80 teams, 20 dump wagons, and 2 dirt elevators. The reservoir is built at the headwaters of the West Fork of the Dolores River. It was washed out in 1911 and not rebuilt until 1938 when it was enlarged to store 21,709 acre feet. Its first appropriation date was August 1, 1905, and then another appropriation in 1929 for an additional 11,086 acre feet. Finally, in 1962, the conditional decree for the Beaver Reservoir was transferred to the Groundhog Reservoir making the decree absolute at 21,709 acre feet. We do not know if any survey for quantity of water has been conducted since the enlargement of the reservoir. Part of its inflow is from the Beaver Ditch where MVIC owns an absolute right of 150 cfs for the filling of the Groundhog.

Narraguinnep Reservoir was initially constructed in 1888 for 5,969 acre feet. It was then enlarged in 1907 to contain 9,300 acre feet. Again, in 1922, a third storage appropriation for 11,527 acre feet was made and in 1956, the additional capacity was complete for a total of about 19,000 acre feet. These storage rights were granted by the State of Colorado, but with the construction of McPhee dam, the water passes through the Federal Project and is considered a storage right from Dolores River water, and is not Federal project water.

MVIC is currently adding over a dozen water measurement devices to assist the accurate forecasting of water availability throughout the season. The work will enhance the water right and contribute to the sustainability of the basin.

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

N/A

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 - System-wide upgrade of MVIC reservoir monitoring

GRANT RECIPIENT – Montezuma Valley Irrigation Company

FUNDING SOURCE - Dolores, San Miguel and San Juan Basins Roundtable Funds

INTRODUCTION AND BACKGROUND

Provide a brief description of the project. (Please limit to no more than 200 words; this will be used to inform reviewers and the public about your proposal)

Montezuma Valley Irrigation Company is currently engaged in upgrading its monitoring and measurement of water being released from its reservoirs as well as determining availability of water contained in the reservoirs on a daily basis. MVIC plans to contract with the USGS to conduct a bathymetric survey, analyze the results and produce a final hydrographic report on Groundhog Reservoir.

OBJECTIVES

List the objectives of the project

To produce a storage curve for Groundhog Reservoir, to establish real-time monitoring of inflow/outflow of Groundhog Reservoir, and to better regulate the releases from Narraguinnep Reservoir.

TASKS

Provide a detailed description of each task using the following format

TASK 1 – [Name]

Description of Task

The USGS will use an integrated multibeam and motion sensor sonar that will collect the bottom surface as a 3-D model along a line across the reservoir. A complete bottom surface model of the reservoir will be produced by overlapping the passes. They will then process the above and below waterline surveys to generate a map of the modeled surface so that a volume calculation can be performed at any water level currently stored.

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Method/Procedure

Bathymetric Surveys using multi-beam echo sounder and Differential Global Positional System coordinate location.

<u>Deliverable</u>

Electronic bathymetric survey data

TASK 2 – [Name]

Description of Task

Repair flume in Beaver Creek and set a monitoring device to read inflow remotely.

Method/Procedure

Level and reset existing flume and riprap inlet and outlet to avoid future washout. Also, set a flow meter at flume.

Deliverable

Accurate inflow data provided daily.

TASK 3

Description of Task

Repair equipment building on Groundhog Reservoir and provide funding to DNR to install new satellite telemetry equipment.

Method/Procedure

Fix window and make house more secure to avoid vandalism. Commission DNR to monitor and maintain equipment. Cost to maintain equipment is \$100/month.

Deliverable

Accurate data of storage releases daily

TASK 4

Description of Task

Remove old outlet structure on Lone Pine Canal and replace with structure to hold Rubicon Gates. Also, install monitoring equipment to link into MVIC SCADA system.

Method/Procedure

Excavate old structure during off-season and then build new check structure to house Rubicon Gates. Install gates and then install control and monitoring equipment Add flow monitoring device at reservoir discharge to the Lone Pine Canal.

Deliverable

The basin will have data showing accurate delivery of water around and through Narraguinnep and MVIC will be able to manage its water to insure correct timing of releases so as to insure constant delivery through canal without waste. This will be accomplished through our SCADA system located at the MVIC office.

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.

MVIC will provide, at a minimum:

- A complete bottom surface model of the reservoir.
- An elevation-storage curve.
- A .jpg image of Groundhog reservoir.
- An evaluation of the spillway in respect to use of the reservoir.
- Pictures of installed Rubicon Gates
- Data showing inflow/outflow from Narraguinnep and Groundhog

BUDGET

Provide a detailed budget by task including number of hours and rates for labor and unit costs for other direct costs (i.e. mileage, \$/unit of material for construction, etc.). A detailed and perfectly balanced budget that shows all costs is required for the State's contracting and purchase order processes. Sample budget tables are provided below. Please note that these budget tables are examples and will need to be adapted to fit each individual application. Tasks should correspond to the tasks described above.

| Total Costs | | | | |
|--------------------------------|----------|--------------------|-----------------|---------------------|
| | | | Matching Funds | |
| | Labor | Other Direct Costs | (If Applicable) | Total Project Costs |
| Task 1 – Bathometric Survey | | | | \$35,000 |
| Task 2 – Beaver Crk Flume | \$1000 | \$1000 concrete & | | \$4,500 |
| | | riprap | | |
| | | equipment/travel | | |
| | | \$3500 flow meter | | |
| | | and installation | | |
| Task 3 – Repair House/Install | \$500 | \$7,500 new | | \$8000 |
| new telemetry equipment | | window, security | | |
| | | measures, travel, | | |
| | | purchase and | | |
| | | install telemetry | | |
| Task 4 – Install Rubicon Gates | \$35,000 | \$75,000 Rubicon | | \$110,000 |
| | | Gate, solar panel, | | |
| | | transmitter | | |
| In-Kind Contributions | \$35,500 | \$87,000 | \$122,500 | |
| | | | | |
| Total Costs: | | | \$122,500 | \$157,500 |

SCHEDULE

Provide a project schedule including key milestones for each task and the completion dates or time period from the Notice to Proceed (NTP). This dating method allows flexibility in the event of potential delays from the procurement process. Sample schedules are provided below. Please note that these schedules are examples and will need to be adapted to fit each individual application.

| Task | Start Date | Finish Date |
|----------------|------------|--------------------|
| 1Bathometry | June 2011 | June + 90 days |
| 2Beaver Creek | Currently | August 2011 |
| 3Groundhog | Currently | Weather permitting |
| Monitoring | | |
| 4Rubicon Gates | Currently | 3/31/2011 |

Concepts for Basin Evaluation and Prioritization

1. What benefit(s) does the project provide? Are there multiple purposes?

This project provides the additional data the Dolores basin needs to adequately manage the limited water we have. The drought of 2002 made us all realize that abundant water does not exist perennially and we have to manage from year to year based on the assumption that we have only the amount of water required to beneficially serve the community according to actual conditions and needs, not assumptions based solely on "paper" water. Allowable diversions according to contracts are one thing, doable diversions are another. This management project provides MVIC the ability to consider the effects it might have on the basin and its own ability to "fit" their diversions with available hydrology from year to year. This data also can be viewed by all managers to be able to provide input and ideas as to basin-wide use.

2. Steps needed for completion of the project. Permit issues? How will funds be acquired?

Out of the four tasks, MVIC will acquire the funds through grants and shareholders assessments. The Rubicon gates are currently being installed and are on site and ready to place into the canal. The monitoring equipment for them was part of a Conservation Innovation Grant from NRCS applied for and granted in 2010. Also, the monitoring equipment for Groundhog will also come from that grant. The flume repair will be funded through normal O&M operations money. There are no permitting issues that have to be overcome. All environmental issues regarding the canal work have been resolved – that project will be complete by March 2011. The only funding required right now is the bathometric survey. This work will be completely done by the USGS and will not be cost shared by MVIC. All funds to complete this work are being requested from the roundtable. There is an opportunity to get cash matching funds from USGS provided the Dolores Water Conservancy District would allow partnering in the effort in conjunction with their Totten Reservoir project.

3a. For prioritization of different proposals and assessment of the merits of the plan, can this project be physically built with this funding?

Most of this project will be funded by grants and MVIC outside of the Roundtable process. The money being requested will complete this project and we will then have a complete "toolbox" with which to monitor our Reservoirs.

3b. Are further studies needed before actual construction is commenced?

No

4. How does the proposal envision and anticipate support from its beneficiaries or from other sources in addition to the funding requested here? Would a loan reasonably address the needs of the applicant or, with a grant, should a recommendation be added to assess the future project status for ability to repay a portion of the grant?

The proposal for the Roundtable to fund the Bathometric Study is based on the cooperation with DWCD and USGS to perform the study at the same time Totten Reservoir is studied. There are matching funds that USGS can obtain if they can use DWCD as the fiscal agent. It is my understanding the USGS has no matching funds available to "private" parties such as MVIC. Once we obtain the funding from the Roundtable, we can pursue the partnering concept with DWCD to then obtain the matching funds from USGS. At that point, we will be able to determine actual monetary needs to fund the Bathometric study. MVIC has already secured the funding for the rest of the project and that cooperation is between MVIC and Bureau of Reclamation and National Resources Conservation Service. A loan does not address the needs because MVIC already has the ability to measure the releases from Groundhog and Narraguinnep and it feels that its shareholders should not be required to obtain loan moneys for the benefit of the entire basin. Also, there are other ways to perform a storage curve without the bathometry equipment. This was deemed inadequate by DNR and therefore, a partnering effort with grant monies is the most desirable avenue. MVIC is already under debt load limits and should not consider further debt on top of the need for seepage improvements to their system. An accurate storage curve of Groundhog is not the shareholders priority.

5. What is the ability of the sponsor to pay for the project? What actions have been taken to secure local funding? Are there supporting factors which overcome the sponsor's inability to pay?

The ability of the sponsor to pay for the project is not a consideration because the CIG has already been awarded and will be used to purchase the monitoring equipment. The budget for MVIC has been set and the flume project has been included. MVIC has funded the Rubicon Gate installation and that will be complete by March 2011. There is no need to overcome an inability to pay.

6. What alternative sources of water or alternative management ideas have you considered? Are there water rights conflicts involving the source of water for the project? If so, please explain.

An alternative management idea is the concept of a storage curve derived from Topographic maps and actual surveys taken at Groundhog. This would assume the original topography from the 1950s exists today and sedimentation would not have taken place. The Bathometric survey would resolve that question. There are no water rights conflicts involving the sources of water.

7. How has public input been solicited and is there local support for the project? Have the beneficiaries solicited funding, letters or other documentation to demonstrate support?

No public input has been solicited since MVIC is privately held and the lands that the survey will be conducted belong to MVIC. However, Division of Natural Resources fully supports this concept and DWCD has given their verbal support to having this done.

8. Is there opposition to the project?

No

9. How does the project affect the protection and conservation of the natural environment, including the protection of open space?

The project helps conserve water because we would then have a way to monitor our releases and diversions. Couple this with accurate storage data and managers can then closely regulate releases according to accurate hydrology and actual usage by irrigators.

10. What is the impact of the proposed action on other non-decreed values of the stream or river? Non-decreed values may include things such as non-decreed water rights or uses, recreational uses and soil/land conservation practices.

There will be no impact of the proposed action except for the added beneficial use of accurate data for the entire basin.

11. How does the project relate to local land use plans? If conflicts exist, how will these be addressed?

N/A

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

N/A

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

N/A

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

The purpose of this project is to develop a monitoring system for MVIC to accurately measure its releases from their privately owned reservoirs. The future of agricultural does not lie in the concept of diversion. It lies in the fundamental concept of conservation – to divert accurate amounts of water to beneficially apply water so that we can conserve the environment in a way to benefit nature – the

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inclusion of humans in that equation! Agriculture will develop smartly if conservation is allowed by using economic principles – not one sided equations.

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.

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

Signature of Applicant:

Print Applicant's Name: Randy L. Carver

Project Title: Montezuma Valley Irrigation Company Acting Executive Director

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 –

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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 Subgrantees 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 Subgrantee 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,

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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.

