



**WATER SUPPLY RESERVE ACCOUNT
 GRANT APPLICATION FORM**

Town of Rico Alluvium Pipeline Water Supply Project - Well
 Drilling and Water Quality Testing

Name of Water Activity/Project

Approving Basin Roundtable

\$88,000

Amount from Statewide Account

\$68,000

Total Amount of Funds Requested

Amount from Basin Account

\$20,000

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Note: Rico has developed significant documentation regarding the overall Alluvium Pipeline Water Supply Project which is not included in this application due to length but is available upon request. These documents include:

- Preliminary Engineering Report
- Draft Environmental Assessment
- Water Right Decrees.

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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 March, 2011 Board meeting

Board Meeting Dates	Basin Account Deadlines	Statewide Account Deadlines
January 25-26, 2011	November 25, 2010	n/a
March 15-16, 2011	January 15, 2011	January 15, 2011
May 17-18, 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.

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

1. Applicant Name(s):

Town of Rico (Rico)

Mailing address:

Town of Rico
ATTN: Michael England
PO Box 9
Rico, CO 81332

Taxpayer ID#:

84-6005666

Email address:

townmanager@ricocolorado.org

Phone Numbers: Business:

970-967-2863

Home:

Fax:

970-967-2862

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

Name:

Mike England

Position/Title

Town Manager

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.

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4. Provide a brief description of your organization

The Town of Rico (Rico) was settled in the late 1800's and established as a municipality under Colorado State Statutes 31-2-101, et. seq. in 1879. Rico is located in Dolores County along the Dolores River about 40 miles northeast of the Town of Dolores and 30 miles south of the Town of Telluride. Rico is at an elevation of 8,800 feet MSL and is bounded by mountains on the east and west with elevations in excess of 12,000 feet.

Rico is governed by a Town Board of Trustees, directed by its Home Rule Charter, Article II, Section 2.1, which was enacted pursuant to Colorado Constitution, Article XX and the Municipal Home Rule Act of 1971. Rico has a full time staff consisting of the Town Manager - who is also the Operator in Responsible Charge of the water system, the Town Clerk, and a Maintenance Technician. Rico contracts for legal representation, accounting/auditing services, engineering, environmental permitting, and any other necessary services.

With 260 homes, many of which are second homes, Rico hosts a permanent population of about 360 people. Rico's Service Area (or future planning area) consists of the historic 650 platted lots. Rico has had a very slow growth rate of 2 to 5 homes per year, which is expected to continue. In addition to the 260 residential taps, Rico also serves 7 commercial taps, including Town Hall.

Rico holds water rights in Silver Creek, to the east of Rico. Rico currently utilizes the Silver Creek surface diversion for treatment and distribution to town residents and businesses and can treat water at a maximum rate of 50 gpm. However, neither the Silver Creek flow nor the existing treatment plant with storage tanks are adequate to serve the existing homes during high demand, drought, or times of high turbidity in Silver Creek.

In 1996, Rico began the process to identify and develop a more secure and reliable water source. Rico conducted a number of studies and preliminary engineering reports and found that the best source of water was an alluvial well near the Dolores River two miles north of Rico to provide up to 80 gpm and a pipeline to connect to the existing water distribution system. Rico began the process to acquire water rights for the well in 2006. Those water rights were decreed in Case Number 06CW110. Rico has acquired the water rights necessary, conducted environmental compliance activities and updated the preliminary engineering reports (PER) concerning this water source. The PER and environmental compliance documents are lengthy and not attached, but available on request.

The first step in construction of the new raw water source is to drill a production well which will be the source of water. Drilling the well and conducting water quality tests is necessary to complete the technical, managerial, and financial capacity (TMF) activities for Colorado Department of Public Health and Environment – Water Quality Control Division (WQCD) approval. The TMF must be completed prior to construction of the pipeline and chlorination facilities to connect the well to the Rico water distribution system.

This grant application is for \$88,000 to drill the new well and perform the water quality testing necessary for the WQCD. The well is a component of the overall Alluvium Pipeline Water Supply Project described in the PER. The entire project is a listed "Identified Project and Process" for Dolores County in the SWSI 2 Report. The total cost of the Project with the well, the 2 mile pipeline, and design and construction of the treatment facility is estimated to be \$1.4 to \$1.5 million. Rico raised water rates (attached Ordinance 2008-1) and tap fees (attached Ordinance 2008-2) in 2008 to fix leaks, pay for other system improvements, and install the new membrane filtration in 2009. Rico is seeking funding for the entire project through DOLA, EPA and CDPHE/CWPDA; however, those sources are not available for drilling the well within the time frame required to complete the TMF. Drilling the well and conducting water quality testing is needed prior to construction of the pipeline to connect to Rico's system.

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

The same entity, the Town of Rico.

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 Purchase Order for an amount less than \$100,000.

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

7. The 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.

The Town has “de-Bruced” as documented in attached Town of Rico Ordinance 331, Attachment 5.

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Part B. - Description of the Water Activity

1. Name of the Water Activity/Project: Town of Rico Alluvium Pipeline Water Supply Project – Well Drilling and Water Quality Testing

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

☒

Structural and/ or nonstructural water project or activity

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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.

Rico's original water system involved a wood stave pipeline from Silver Creek to a 100,000 gallon tank located at the east edge of town from which water was distributed to Rico's residents. In 1964, portions of the wood pipe were replaced with buried pipe and a second 100,000 gallon tank was installed. In the late 1970's, the Silver Creek gallery, the pipeline to Rico, gas chlorination and a third 100,000 gallon tank were installed. In the early 1990's, a bag filtration plant was installed, which was replaced by the membrane filtration system in 2007.

As described in Part A-4 on Page 4, Rico presently diverts water from a gallery on Silver Creek upstream and east of Rico. The water is conveyed through a 6-inch line to the treatment plant that has a maximum treatment capacity of approximately 50 gpm. The original three 100,000 gallon tanks are still utilized and a distribution system delivers water from the tanks throughout the town. The treatment plant capacity is variable depending upon Silver Creek water quality and is not sufficient to meet demand during times of high turbidity. Rico has many second homes, with high resident activity and water use concentrated around the Fourth of July weekend. During these times of high demand and/or drought, neither the treatment plant nor Silver Creek are sufficient to meet existing demand. At these times, Rico must rely almost entirely on the storage tanks. During spring run-off prior to the Fourth of July weekend, the water is very turbid and the storage tanks may or may not be at maximum storage capacity by the time the increased demand occurs.

Rico has historically battled line breaks and turbid water supplies in the attempt to provide reliable service to town residents and business owners. In the past decade, Rico has made great system improvements, however, the water supply's water quality has continued to be an impediment. In order to reliably serve the existing homes and provide water for future growth, Rico must develop a more reliable water source.

Beginning in 1996, Rico began the process to identify and develop a more secure alternate water source. The results of the process indicate the best water source would be an alluvial well near the Dolores River about two miles upstream of Rico. The alluvial well field, a.k.a. the Alluvial Pipeline Water Supply Project, is listed as an IPP on the Colorado Water Conservation Board's 2004 and 2010 Statewide Water Supply Initiative Reports. Two test wells were drilled near the proposed production well which showed the alluvium can provide adequate water, and water quality tests were conducted on the wells which showed the water only needed to be chlorinated. The test wells cannot be used for the production well and the water quality testing has to be from the actual production well, not the test wells.

The entire project involves drilling a new well, constructing a treatment facility to disinfect the water (and filtration if the water is found to be under the influence of surface water), constructing a 2 mile pipeline along the highway to connect the well to the existing distribution system, and pumping up to 115,000 gallons per day (80 gpm for 24 hours). Rico has a Preliminary Engineering Report (PER), a draft environmental assessment (EA), and water right decrees to support the overall project that are available upon request. . The existing Silver Creek water supply will be maintained and operated periodically as a back up to the well and to meet peak demands above the restriction of supply from the wells.

This grant application is for \$88,000 to drill the new well and perform water quality testing. The well will be drilled as soon as possible in 2011.

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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.)

The Rico Alluvium Pipeline Water Supply Project (Project) meets the eligibility requirements outlined in Part 2 of the Criteria and Guidelines as:

- 1) The Project is an Eligible Water Activity as identified in Senate Bill 06-179 as the Project is a structural water project with the drilling and construction of a new well.
 - 2) Rico is a municipality in the State of Colorado organized pursuant to its Home Rule Charter of May 2, 2000, Colorado Constitution, Article XX, and the Municipal Home Rule Act of 1971. Prior to 2000, Rico was incorporated pursuant to CRS Section 31-2-101, et. seq..
- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.¹ Rico and the Project are consistent with Section 37-75-102. The construction of the well (and eventually the pipeline) and the financial assistance of the Water Supply Reserve Account will not restrict the ability of any water right holder to use or dispose of that water right in any manner permitted under Colorado law. Rico will cause no injury, in any way, to any vested or decreed conditional water right. Rico will be able to perfect its decreed conditional water rights in accordance with Colorado law, and will be able to enter into agreements, contracts, or memorandums of understanding with other persons or entities to appropriate, move or use water under the provisions of law. Rico has entered into agreement with the Dolores Water Conservancy District for augmentation under the 95CW104 augmentation plan and stipulation with the CWCB in Division 7 Water Court Case No. 06CW110.
- 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 BRT's 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.

Please see the attached letter from the Southwest Basin Roundtable.

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 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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- 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.

Rico and the Project meet the provisions of Section 37-75-104(2), Colorado Revised Statutes. Rico is listed in the SWSI 2 Report as an IPP necessary to meet the estimated 2050 water demand. Any issues associated with the CWCB instream flow water right on the Dolores River through Rico were addressed in Division 7 Water Court Case No. 06CW110.

- 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)

Rico is requesting \$20,000 from the Southwest Roundtable and \$68,000 from the Statewide Fund. The \$20,000 SW Roundtable funding will meet the 20% match required for the Statewide Fund. The requested \$88,000 will be used to drill the well, conduct pump tests, and perform water quality analysis on water samples from the well.

Also, Rico has developed the PER and environmental compliance documents for the entire Alluvium Pipeline Project through a \$60,000 grant from DOLA and \$30,000 Rico match, for a total of \$90,000. Rico will provide the technical oversight for the well drilling, obtain the necessary DWR well permits, complete any environmental compliance requirements, and arrange for water quality testing using the DOLA funds - estimated to be approximately \$9,000 - in support of drilling the well.

The non-State match with SW Roundtable funding is approximately 23% of the total project. If the oversight funds provided by Rico are included the total non-State match is approximately 30%.

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 non-consumptive 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.

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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.)

Tier 1: The drilling of the well is provided for under the provisions of Division 7 Water Court Case No. 06CW110 which balanced the consumptive needs of Rico with non-consumptive needs of the CWCB instream flow on the Dolores River between the well site and Rico.

The well is a collaborative effort between Rico, the Dolores Water Conservancy District, the US Forest Service, and CWCB.

The Rico Alluvium Pipeline Project is an IPP in the SWSI 2 Report, necessary to meet the 2050 water supply gap in Dolores County.

Tier 2: The funding for drilling the well is necessary to assure that the water source meets all of the water quality requirements of the Water Quality Control Division (WQCD). The WQCD requires water quality tests from the actual well to approve the water source. Without drilling the well and the subsequent well testing, the overall project cannot proceed.

The requested funds are the total necessary to drill the well and conduct the water quality testing. With the funding request herein, Rico can implement the activity.

The applicant is only requesting funds for the actual drilling, pump testing and water quality testing. The cost of technical oversight of the activity is being paid from other sources.

Suggested Format for Scope of Work

Part D. – Required Supporting Material

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.

Rico has a conditional water right on the Dolores River, Case Number 06CW110, for the North Rico Well Field. The alluvium well is to be located in this well field with a diversion amount of 0.178 cfs or 80 gpm. The well is to be operated under the plan of augmentation of the DWCD in Case Number 95CW104. Both decrees are available upon request.

Rico also holds water rights on Silver Creek for 0.28 cfs absolute and 2.72 cfs conditional, decreed for irrigation, municipal and other purposes. The priority date is 1968, which is a very low priority, about #47. The best priorities are less than 15 with dates of 1892. Decree available upon request. These water rights will be maintained as a supplement to the alluvial well.

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2. Please provide a brief narrative of any related or relevant previous studies, all studies are available upon request and are not included due to length.

1996 Preliminary Engineering Report (PER) – Harris Water Engineering, Inc.

Studies of the well field potential (Rico & DWCD)

2006 PER – Harris Water Engineering, Inc.

2009 Final PER – Harris Water Engineering, Inc.

2010 Draft Environmental Assessment – Grayling Environmental

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 – Rico Alluvium Pipeline Water Supply Project – Production Well

GRANT RECIPIENT – Town of Rico

FUNDING SOURCE – Southwest Roundtable and Statewide Fund

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)

This grant application is for \$88,000 to drill the new well and perform the water quality testing necessary for the WQCD. The well is a component of the overall Alluvium Pipeline Water Supply Project described in the PER. The entire project is listed as an “Identified Project and Process” for Dolores County in the SWSI 2 Report. The first step in construction of the new raw water source is to drill a production well which will be the source of water. Drilling the well and conducting water quantity and quality tests is necessary to complete the technical, managerial, and financial capacity (TMF) activities for Colorado Department of Public Health and Environment – Water Quality Control Division (WQCD) approval. The TMF must be completed prior to construction of the facilities (two mile pipeline and chlorination station) to connect the well to the Rico water distribution system. The well will be drilled to a depth of up to approximately 150 feet, pump tested to verify the flow rate, and water quality samples sent to a laboratory to verify the water meets all WQCD standards.

OBJECTIVES

List the objectives of the project

Drill a production well that meets DWR and WQCD Specifications for a Drinking Water Source
Verify well production through pump testing
Collect water samples to be tested at a laboratory to verify meets all water quality standards

TASKS

Provide a detailed description of each task using the following format

TASK 1 – Drill Well

Description of Task

Drill a well in the alluvium adjacent to the Dolores River approximately two miles north of Rico. The well will be up to approximately 150 feet deep and constructed according to Division of Water Resource and WQCD standards for municipal drinking water sources.

Once drilled, conduct a pump test of sufficient length to verify the well can produce up to 80 gpm on a consistent basis.

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When completed with the testing, install a cap on the well that will protect the casing from damage until needed.

Method/Procedure

Retain a well drilling company experienced in constructing wells in river alluvium conditions. Schedule drilling of the well by the selected company using their equipment. Rico will have a geo-hydrologist on site during the drilling to monitor the well logs and the overall operation. Rico will apply for a DWR well permit and complete any environmental compliance prior to drilling, using funds for another source. Rico will submit the well drilling plans to WQCD for review in relation to standards for groundwater sources. The well site is on CDOT rights-of-way and the necessary permitting will be obtained.

Deliverable

- A completed well suitable for use as a raw water source, constructed according to DWR and WQCD standards.
- A drillers log submitted to DWR.
- A pump test report.

TASK 2 – Water Quality Testing

Description of Task

During the pump testing period, collect water quality samples that will be sent to a qualified laboratory to test for water quality standards required by WQCD, including a micro particulate analysis (MPA).

Method/Procedure

The laboratory will provide water sample bottles which are to be filled and overnight transported to the lab.

Deliverable

The laboratory will provide the results of the tests.

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.

The final deliverable will be a drill log showing the completed well, pump test report, and water quality analysis from the well water.

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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				
	Labor	Direct Costs	Matching Funds (If Applicable)	Total Project Costs
Task 1 – Well Driller		\$83,000		\$83,000
Task 2 – Water Quality Testing		\$5,000		\$5,000
Total Costs:		\$88,000		\$88,000

The well drilling and laboratory testing are typically fixed/bid costs and not billed by the labor increments; therefore, the cost is shown as a lump sum for each task and a total. The cost estimate between the two tasks may be adjusted slightly to meet actual costs. Rico will provide the technical oversight for the well drilling, obtain the necessary DWR well permits, complete any environmental compliance requirements, and arrange for water quality testing using DOLA/Rico funds - approximately \$9,000; this amount is not included in the total cost above.

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
1	Upon NTP	NTP + 120 days
2	Upon NTP	NTP + 180 days

NTP = Notice to Proceed

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PAYMENT

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and help promote the development of a common technical platform.

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

Signature of Applicant: *Michael England*

Print Applicant's Name: Michael England, Town Manager

Project Title: Town of Rico Alluvium Pipeline Water Supply Project- Well Drilling and Water Quality Test

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

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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/TWMD/>

Phase 1 Report – <http://cwcb.state.co.us/TWMD/SWSITechnicalResources/SWSIPhaseIReport/>

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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.

Rico will provide proof of insurance at the appropriate point in the approval process.

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

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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.

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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.

The project is less than \$100,000 which would qualify for the purchase order process.

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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.

This will be provided prior to the execution of the purchase order.

Attachment 5
Town Ordinance 331

ORDINANCE 331
TOWN OF RICO

AN EMERGENCY ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO SUBMITTING TO THE QUALIFIED ELECTORS OF THE TOWN OF RICO AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, THE 4TH DAY OF NOVEMBER 1997, THE QUESTION OF AUTHORIZING THE TOWN, COMMENCING IN 1998, TO RECEIVE AND SPEND THE FULL REVENUES FROM STATE AND FEDERAL GRANTS AND ALL OTHER NON-TAX REVENUES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE TOWN OF RICO, AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE SPENDING LIMITATIONS WHICH MIGHT OTHERWISE APPLY; SETTING FORTH THE BALLOT TITLE; AND PROVIDING FURTHER DETAILS IN RELATION TO THE FOREGOING.

WHEREAS, in 1994 the voters of the Town of Rico approved a ballot issue authorizing the Town "to collect and spend all revenues, including state grants and taxes, sales and use taxes, and property taxes, generated in 1994 and for each subsequent year through 1997, regardless of any limitation contained in Article 10, Section 20 of the Colorado Constitution, and to thereafter utilize 1997 fiscal year spending and property tax revenue as bases upon which the subsequent year's spending and revenue shall be limited;" and

WHEREAS, under the limitations of Article X, Section 20 of the Colorado Constitution ("Article X, Section 20"), the Town must obtain voter approval to continue after 1997 to receive and spend grants and other funds which exceed the revenue and spending limitations under Article X, Section 20; and

WHEREAS, the Board of Trustees desires to receive state and federal grants and to spend those revenues for projects which benefit the Town's residents, including but not limited to, the proposed river trail corridor, the proposed municipal sewer system, and the hiring of a law enforcement official; and

WHEREAS, without voter approval, the Town may be prohibited from receiving and spending state and federal grant revenues for the benefit of the Town's residents.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO, AS FOLLOWS:

Section 1

At the general municipal election to be held at the polling place in the town on Tuesday, November 4, 1997, there shall be submitted to the vote of the qualified electors of the town the question set forth in Section 2 below.

ORDINANCE 331

Section 2

The official ballot and the official absentee ballot shall state the substance of the revenue change and spending approval to be voted on and so stated shall constitute the ballot title, designation and submission change, and each qualified elector voting at the election shall indicate his or her choice on the measure submitted, which shall be as follows:

QUESTION NO. B

SHALL THE TOWN OF RICO, COMMENCING IN 1998, BE AUTHORIZED TO RECEIVE AND SPEND THE FULL REVENUES FROM STATE AND FEDERAL GRANTS AND ALL OTHER NON-TAX REVENUES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE TOWN OF RICO, AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE SPENDING LIMITATIONS WHICH WOULD OTHERWISE APPLY?

FOR THE MEASURE 27

AGAINST THE MEASURE 17

Section 3

If a majority of all the votes cast at the election on the measure submitted shall be for the measure, the measure shall be deemed to have passed, and it shall be lawful for the Board of Trustees to receive and spend state and federal grants in accordance with the measure approved.

Section 4

The election shall be conducted under the provisions of the Colorado Constitution, the statutes of the State of Colorado, the ordinances of the Town, and this ordinance.

Section 5

The town clerk of the Town of Rico shall give public notice of the election on each measure:

(a) By causing a notice to be published in the Dolores Star, a weekly newspaper of general circulation in the town, at least ten days before election day, and

ORDINANCE 331

(b) By mailing to "All Registered Voters" at each address within the town at which a voter is registered at least 30 days before the election a notice entitled "NOTICE OF ELECTION ON A REFERRED MEASURE." This notice shall include only:

(i) the election date and hours for voting, the ballot title and text of the measure by this ordinance submitted to the voters and the office address and telephone number of the town clerk;

(ii) two summaries, no more than five hundred words each, one for and one against the measure, of written comments filed with the town clerk no later than 45 days before the election. No summary shall mention the names of persons or private groups, nor any endorsements of or resolutions against the measure. The town attorney shall write this summary for the measure. The town clerk shall maintain on file and accurately summarize all other relevant written comments.

Section 6

The notice of election shall include the ballot title.

Section 7

The officers of the town are authorized to take all action necessary or appropriate to effectuate the provisions of this ordinance.

Section 8

If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, such decision shall not affect any of the remaining provisions of this ordinance.

Section 9

This ordinance is necessary to protect the public health, safety and welfare of the residents of the town, and covers matters of local concern.

Section 10

The Board of Trustees deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available at the office of the town clerk for public inspection and copying.

ORDINANCE 331

Section 11

In order to comply with the time limits for certifying ballot measures to the County Clerk as part of a coordinated election, it is necessary that this ordinance be effective immediately. Accordingly, the Board of Trustees finds and declares that an emergency affecting the public peace, health, and property exists, and that this ordinance take effect immediately upon passage on second reading.

**INTRODUCED, READ, ORDERED PUBLISHED BY TITLE ONLY, AND
REFERRED BY A THREE-FOURTHS VOTE OF THE BOARD to public hearing before
the Board of Trustees of the Town of Rico, Colorado on the 3rd day of
September, 1997.**

TOWN OF RICO

ATTEST

By: Robert E. Cummings
Robert Cummings
Mayor ~~Pro Tem~~

Linda Yellowman
Linda Yellowman
Town Clerk

**HEARD AND FINALLY ADOPTED by the Board of Trustees of the Town of Rico,
Colorado this 3rd day of September, 1997.**

TOWN OF RICO

ATTEST

By: Robert E. Cummings
Robert Cummings
Mayor ~~Pro Tem~~

Linda Yellowman
Linda Yellowman
Town Clerk

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SOUTHWEST ROUNDTABLE APPLICATION CRITERIA

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

Note: this does not mean that a single purpose project would be rejected, but for major funding requests, addressing multiple use needs would be an advantage.

The application is for facilities to provide a long term, adequate and reliable source of water to the Town of Rico. The existing raw water source is unreliable due to drought and/or high turbidity during runoff which results in difficulty in treating water to water quality standards.

2. Outline the steps needed for completion of the project. What permit issues must be overcome? How will funds acquired in this process be used to accomplish the final goal?

Prior to constructing the production well, Rico will apply for a DWR well permit and complete any environmental compliance work using funds currently available from another funding source (DOLA and Rico). The well site is on CDOT rights-of-way and the necessary permitting will be obtained. The funds requested from the WSRA will be used for actual construction of the production well and water quality testing.

3. For prioritization of different proposals and assessment of the merits of the plan, can this project be physically built with this funding. Are further studies needed before actual construction is commenced(if the project anticipates construction)? Will these studies or additional steps delay the completion of the project substantially?

The requested funds will be used for actual construction of the production well and water quality testing. The production well, pumping test and water quality tests from this specific well are necessary to obtain WQCD approval. A nearby well cannot be used as a surrogate for WQCD, the approval is well specific. Though tests from a wells within 200 feet have indicated the alluvial water will meet WQCD standards, this new well is necessary. Construction of the pipeline into Rico cannot commence until the WQCD testing is completed and is adequate. Funding for construction of the pipeline into Rico is being pursued from other sources at this time.

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?

Rico is not in a position to repay the grant requested herein. Rico is attempting to obtain funding for the production well from all other known sources available in order complete the well in 2011.

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5. What is the ability of the sponsor to pay for the project? What actions have been taken to secure local funding? Are there supporting factors which overcome the sponsor's inability to pay? (These could be related to basin water needs and compact considerations).

Rico is a small mountain community and does not have the financial ability to complete the production well without this grant.

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

The 1996 PER prepared by Rico reviewed all known alternative sources of water and options for providing a reliable future source of water. Water right issues have been resolved and Rico has the water court decree that allows drilling of the production well.

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?

Rico has had numerous local meetings to present the project to the public. Public support is shown by the vote to join the Dolores Water Conservancy District which was necessary to secure the water rights.

8. Is there opposition to the project? If there is opposition, how have those concerns been addressed?

No opposition.

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

There is no environmental affect that will not be mitigated and/or addressed to obtain the necessary permits.

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.

The impact on the CWCB in-stream flow has already been addressed and resolved to obtain the water court decree.

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

Rico is responsible for the land use plans within the town boundaries that this project will serve.

12. Identify any intra-basin conflicts and how they will be addressed.

None.

13. Identify any inter-basin impacts and how any conflicts would be addressed.

None

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

Not applicable.