



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

**LAPLATA ARCHULETA WATER DISTRICT**

**Name of Water Activity/Project**

Construction of Municipal Water Distribution Pipeline and  
Related Facilities

**Name of Applicant**

La Plata Archuleta  
Water District

**Amount from Statewide Account:**

\$475,000

**Amount from Basin Account(s):**

\$25,000

**Total WSRA Funds Requested:**

\$500,000

**Approving Basin Roundtable(s)**

*(If multiple basins specify amounts in parentheses.)*

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### **Required Exhibits**

- A. Statement of Work, Budget, and Schedule
- B. Project Map
- C. As Needed (i.e. letters of support, photos, maps, etc.)

### **Appendices – Reference Material**

- 1. Program Information
- 2. Insurance Requirements
- 3. WSRA Standard Contract Information (Required for Projects Over \$100,000)
- 4. W-9 Form (Required for All Projects Prior to Contracting)

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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 and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>

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:

Greg Johnson – WSRA Application  
Colorado Water Conservation Board  
1580 Logan Street, Suite 200  
Denver, CO 80203  
[gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us)

If you have questions or need additional assistance, please contact Greg Johnson at: 303-866-3441 x3249 or [gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us).

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

1.	Applicant Name(s):	La Plata Archuleta Water District		
	Mailing address:	255 Ute Street PO Box 1377 Ignacio, Colorado 81137		
	Taxpayer ID#:	800291015		
	Primary Contact:	Edward Tolen	Position/Title:	General Manager
	Email:	etolen@laplawd.org		
	Phone Numbers:	Cell: 970-442-1303	Office:	970-563-0320
	Alternate Contact:	Steve Harris	Position/Title:	Engineering Consultant
	Email:	steve@durangowater.com		
	Phone Numbers:	Cell: 970-749-1202	Office:	970-259-5322

## 2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

<input type="checkbox"/>	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.
<input checked="" type="checkbox"/>	Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
<input type="checkbox"/>	Private Incorporated – mutual ditch companies, homeowners associations, corporations.
<input type="checkbox"/>	Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
<input type="checkbox"/>	Non-governmental organizations – broadly defined as any organization that is not part of the government.

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3. Provide a brief description of your organization

The La Plata Archuleta Water District (District) is a special district organized pursuant to Article 1 of Title 32, Colorado Revised Statutes. The District was formed by a majority vote in an election held August 12, 2008. A successful mill levy election was held in May, 2010 that authorized a 5 mill levy on property within the District. A successful debt authorization election was held in November, 2011 that authorized up to \$25 million in debt. A General Manager, Edward Tolen, was hired and started work on September 1, 2011.

The District will finance, construct, operate and maintain a public water distribution system for a four hundred square mile service area in La Plata and Archuleta Counties. The District has received two prior WSRA grants. The first was for \$100,000 to prepare a Master Plan which is being used to guide the development of the water system and can be viewed on the District web site (LAPLAWD.org). The master plan describes the number of customers to be served, the general facilities to be used, the water sources, and other pertinent information.

The second WSRA grant was for \$400,000 to provide funds to develop the various agreements, plans, and designs necessary to initiate the project. Those funds have been successfully used to develop an agreement with the Town of Bayfield to have a joint water treatment plant; design the pipelines to extend from the treatment plant to the customers in the District; develop and finalize a court settlement with the Southern Ute Tribe concerning the mill levy; conduct a public process to establish the initial rate schedule; and to prepare the associated environmental work necessary for construction. The District is presently in a position to begin construction on the first pipelines in late 2012 or early 2013 with service to the first customers in 2013.

The District is well along in developing the various rules, regulations, charges, agreements, etc. necessary for the water system. This work can be reviewed on the web site.

The District is using a joint treatment plant with the Town of Bayfield but plans are to eventually also utilize water from the Animas-La Plata Project (ALP) through an agreement with the CWCB to utilize a portion of the State of Colorado's allocation.

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

N/A

5. 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 link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

<input checked="checked" type="checkbox"/>	The Applicant will be able to contract with the CWCB using the Standard Contract
<input type="checkbox"/>	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

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grant approval and the funds being available.

6. 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 District was “de-Bruced” in the May, 2010 election. The ballot measure is available upon request.

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### Part II. - Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

☐ Nonconsumptive (Environmental or Recreational)

☐ Agricultural

☒ Municipal/Industrial

☐ Needs Assessment

☐ Education

☐ Other

Explain:

2. If you feel this project addresses multiple purposes please explain.

This project is primarily service to an area that presently uses wells (many of which do not have adequate quantity or quality) or water hauling. The multiple purposes involve the cooperation between the District and other local entities to maximize the use of joint facilities such as the joint treatment plant with Bayfield and pipelines to serve both District and Bayfield customers. The District will also cooperate with the CWCB to utilize the State's allocation in the Animas-La Plata Project.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

☐ Study

☒ Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

New Storage Created (acre-feet)

New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)

Existing Storage Preserved or Enhanced (acre-feet)

Length of Stream Restored or Protected (linear feet)

Length of Pipe Built (miles)

Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

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4. To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude:

Longitude:

5. 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. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

The District has completed an agreement with the Town of Bayfield to receive water from the existing Bayfield treatment plant while an expansion of the treatment plant is being constructed. The expansion is estimated to provide both entities with adequate treated water capacity for at least 10 years. The District will contribute approximately \$5 million towards construction of the expansion. To utilize the water from the treatment plant, the District plans to construct approximately 5 miles of pipeline along the Bayfield Parkway to County Road (CR) 509 then south along CR 509 to CR 510 and west on CR 510. The District will have approximately, \$2,750,000 from the 2010 and 2011 mill levy to construct pipelines. Because construction bids have not yet been received, the length of pipeline that can be installed for the funds available is not definitively known.

The \$500,000 requested from the WSRA grant will be used to extend the pipeline from the point that current District funds have been expended a distance of approximately 2 miles, depending upon the construction bids. The specific location and length of the pipeline funded by WSRA will be designated. All of the funds will be used for construction of that specific reach of pipeline.

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### Part III. – Threshold and Evaluation Criteria

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

- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.<sup>1</sup>

The District and this water activity meet the provisions of Section 37-75-104(2). The District is listed in the SWSI *June 2006 Water Supply and Needs Report for the Dolores/San Juan/San Miguel Basin*, Table 8-3 “Detailed Identified Projects and Processes for Dolores/San Juan/San Miguel Basin”. The Major Provider is listed as the La Plata Archuleta Water District and the Notes indicate “This District is needed to treat and distribute water. There is a gap if this District is not formed. Options include wells or water hauling.” The District is now formed and funds are available to begin the process to construct the facilities to provide potable water to citizens of the area. The sooner funds are available the sooner that the customers of the District can receive water.

- 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.

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<sup>1</sup> 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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- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.<sup>2</sup> 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.
- 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. Statewide requests must also include a minimum match of **5 percent** of the total grant amount from Basin Funds. 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 CWCBC. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

The District is including \$2,750,000 of its funds from mill levy collections and borrowing \$5 million to expand the Bayfield treatment plant. The District is expending nearly \$8 million which is about 16 times more than the WSRA request. All of the facilities are for treated water and not eligible for CWCBC loan funds. The Southwest Roundtable is requested to allocate \$25,000 from its Basin Fund to provide the 5% required match.

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<sup>2</sup> 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.

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2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

**Evaluation Criteria** – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

### Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin). **The project addresses multiple needs as indicated by the agreement with the Town of Bayfield to construct a joint treatment plant that will meet the needs of both entities for at least a decade.**
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues. **The District has collaborated with the Town of Bayfield and is planning to collaborate with the CWCB to utilize the State’s water allocation in ALP.**
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment. **The project is an IPP necessary to meet the 2050 water demand. WSRA funds have been utilized to initiate and develop the District facilities to the point they are ready for construction, contributing towards construction is the logical next step to show the success of the WSRA funding process.**

### Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere). **WSRA funding will increase the speed that the District can construct the approximately 200 miles of pipeline needed to serve up to 3,600 customers.**
- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project. **The District will fund approximately \$5,000,000 for the joint treatment plant expansion**

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**and \$2,750,000 for pipeline construction simultaneously with the WSRA funds. The District will eventually spend approximately \$100 million to construct the water system.**

### Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

Continued: Explanation of how the water activity/project meets all applicable **The District plans to eventually utilize a portion of the State's water supply in ALP which is administered by the CWCB.**

### **Evaluation Criteria.**

**Please attach additional pages as necessary.**

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### Part IV. – 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 water rights issues, and the name/location of water bodies affected by the water activity.

The following is a list of alternative water supplies that were evaluated as part of the Master Plan.

Animas River Basin - LAPLAWD owns 15 cfs conditional water right on the Animas River and from the Florida River near the confluence with the Animas River. The right was awarded in Water Court Case No. 03CW102. The water may be diverted at any of three diversion locations, downstream of Durango, and in connection with the decrees issued in Water Court Case No. 03CW103 and Case No. 03CW 119. The Animas River and the lower Florida River are not in “water critical” areas and water is available for appropriation and use at any time during the calendar year. Even during the 2002 drought, there was adequate water physically and legally available in the Animas River to provide up to 30 cfs.

Piedra River Basin - LAPLAWD owns 5 cfs conditional water right on the Piedra River just upstream from Navajo Reservoir. The right was awarded in Case No. 03CW103 and must be used in connection with Case No. 03CW102 and Case No. 03CW119. The Piedra River is not in a “water critical” area and water is available for appropriation. There are no flow measurements immediately upstream of Navajo Reservoir to verify the availability of water but there was likely to have been between 5 and 10 cfs of water physically and legally available in the Piedra River during the 2002 drought.

Pine River Basin - LAPLAWD owns 7.5 cfs conditional water right on the Pine River. The water may be diverted at either of two diversion locations and in connection with the decrees issued in Case No. 03CW102 and Case No. 03CW103. The Pine River below the Pine River Canal is not in a “water critical” area and water is available for appropriation. The available data indicates there was between 5 and 10 cfs of water physically and legally available in the lower Pine River in 2002.

Pine River Irrigation District - The Pine River Irrigation District (PRID) has been a long time supporter of the rural water system and continues to be committed to supplying water to the water system. The PRID Board can allocate between irrigation and Leased Water within PRID, pursuant to Case No. 03CV300. The Court further determined that shareholders can voluntarily allow their water in PRID to be used for Leased Water inside or outside of PRID, pursuant to Section 37-42-135, C.R.S. The PRID "Voluntary Pool" has been established for this purpose and approximately 3,300 AF have been committed to this Pool for the purpose of providing Leased Water that could be used by the District. The water treated at the joint Bayfield/District treatment plant will be provide to the District from PRID through a contract for water entered in 2011. Copy available upon request.

Animas-La Plata Project - In addition to the Southern Ute Indian Tribe's (SUIT) share of the Animas-La Plata Project (ALP), the State of Colorado also has an option to obtain up to 5,280 acre-feet of depletion or approximately 10,600 acre-feet of supply from ALP. The District is planning to obtain and utilize a portion of this allocation subject to agreement with CWCB. The District has presented a letter of request to the CWCB.

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The Master Plan recommended that two water treatment plants eventually be developed one along the Pine River and one along the Animas River. The Master Plan recommended that the plant along the Pine River be a joint treatment plant with the Town of Bayfield using PRID water and that the plant along the Animas River utilize a portion of the State's water in ALP through a contract with CWCB. The Town of Bayfield joint plant is being pursued first because it can be implemented immediately. The ALP water will be diligently pursued when the CWCB has contracted with the Bureau of Reclamation for the State's share.

2. Please provide a brief narrative of any related studies or permitting issues.

The necessary permits to construct the facilities are either obtained or being pursued.

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.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

**Please provide a detailed statement of work using the template in Exhibit A.** Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

## **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 construction and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

## **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:

Edward Tolen

Project Title: Construction of Municipal Water Distribution Pipeline and Related Facilities

Return an electronic version (hardcopy may also be submitted) of this application to:

Greg Johnson – WSRA Application  
Colorado Water Conservation Board  
1580 Logan Street, Suite 200  
Denver, CO 80203  
[gregory.johnson@state.co.us](mailto:gregory.johnson@state.co.us)