

**Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
Agenda Item 25d**

Applicant: La Plata Archuleta Water District

Water Activity Name: Construction of Municipal Water Distribution Pipeline and Related Facilities

Water Activity Purpose: Construction Activity

County: La Plata and Archuleta

Drainage Basin: Southwest

Water Source: Pine River

Amount Requested: \$500,000

Source of Funds: \$475,000 Statewide Fund, \$25,000 San Juan/Dolores Basin Fund

Matching Funds: \$8,000,000 from Applicant towards the joint expansion of the Bayfield water treatment plant

Staff Recommendation
Staff recommends approval of \$475,000 from the Statewide Account and \$25,000 from the Southwest Basin account to help fund the Construction of Municipal Water Distribution Pipeline and Related Facilities project contingent upon resolution of the items listed in the issues/additional needs section.

Water Activity Summary:

Introduction and Background

The La Plata Archuleta Water District is a Title 32 special district formed by a majority vote in a 2008 general election. The District was created to finance, construct, operate and maintain a public water distribution system for a four hundred square mile service area across La Plata and Archuleta counties. An objective of the District is to promote joint efforts between the District and local entities to more efficiently serve customers currently dependent on well or hauled water. The District generates revenues from a five mill levy, approved in a 2010 election, on property within the District boundary. The creation of the District was identified as an IPP in the *SWSI June 2006 Water Supply and Needs Report for the Dolores/San Juan Miguel Basin*.

The District received a \$100,000 WSRA grant to fund a Master Plan to guide the development of the water system and outline how the piping network integrates with the two proposed treatment facilities, storage tanks, and pumps. The District also received a \$400,000 WSRA grant to develop the various agreements, plans and designs necessary to initiate the construction phase of the project, including a joint agreement with the Town of Bayfield to expand its water treatment plant and the design of the pipelines extending from the joint treatment plant to customers within the District. The Master Plan proposes over 200 miles of water line and two treatment facilities designed to serve between 1,800 and 3,600 customers by 2030. Included in the plan is a recommendation that the second treatment facility utilize a portion of the State's water from the Animas-La Plata Project through a contract with CWCBC.

The WSRA grant request is to fund construction of a two mile extension of water line, in conjunction with a 5-mile segment being fully funded by the District. The water line will provide potable water

to approximately 60 customers, reducing the reliance on well/hailed water. In addition to the pipeline project, the District is contributing nearly \$3 million in cash and borrowing \$5 million for its participation in expanding the Bayfield treatment facility.

Threshold and Evaluation Criteria

The application meets the required Threshold Criteria.

The application articulates how the project satisfies the Evaluation Criteria as summarized below:

Tier 1: Promoting Collaboration/Cooperation & Meeting Water Management Goals & Identified Needs: By collaborating with Bayfield the project addresses the needs of both entities in the joint effort to expand the treatment plant. In addition to the partnering effort with Bayfield, the District has plans to collaborate with the CWCBC to utilize the State's water allocation in ALP as the District further expands its water system. The District was identified as an IPP necessary to meet the 2050 water demand. WSRA funds have already been expended for the planning and design of the project and the construction phase is the culmination of previous these efforts.

Tier 2: Facilitating Water Activity Implementation: WSRA funding will increase the rate the District can implement the construction phase of the master plan. The District will provide funding in the amount of nearly \$8 million towards the expansion of the treatment facility and a portion of the pipeline installation. In addition, the mill levy will provide the District a revolving revenue source for the project.

Tier 3: The Water Activity Addresses Issues of Statewide Value and Maximizes Benefits: This project will reduce dependence on well water; thereby reducing the impacts to the underlying water table, thus benefitting the surrounding stream levels. In addition, the project intends to collaborate with the CWCBC ALP project for an alternative water supply source for serving a portion of the District.

Discussion: The requested WSRA funds would enable the District to increase the rate at which it can implement the construction phase of its master plan, providing a joint effort to bring much needed municipal water to residences throughout the San Juan/Dolores Basin.

The WSRA funding request is only a fraction of the Districts overall funding source; however it is very beneficial in delivering a reliable, non contaminated supply of water to the area in a timely fashion.

Issues/Additional Needs: CWCBC staff requests that the following issues be addressed during contracting and project execution:

- The applicant secure contractor bids confirming the grant funding is sufficient to construct a minimum of 2 miles of the proposed distribution main.
- Applicant to provide a Statement of Work detailing which tasks and subtasks will be funded with the WSRA monies.

Reporting and Deliverables:

All products, data and information developed as a result of this grant must be provided to 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 will help promote the development of a common technical platform.

In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

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 scope 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.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.