

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

Applicant: Montezuma Valley Irrigation Company

Water Activity Name: Improved Water Use, Conservation, Management and Operations through the Implementation of Water Accounting Software

Water Activity Purpose: Non-Structural Water Project

County: Montezuma

Drainage Basin: Dolores

Water Source: Dolores

Amount Requested: \$52,500

Source of Funds: Southwest Basin Account

Matching Funds: \$52,500 (Southwestern Water Conservation District grant); \$9,500 (Applicant, cash); \$55,000 (Applicant, in-kind labor)

Staff Recommendation
Staff recommends approval of up to \$52,500 from the Southwest Basin Account to help complete the project titled: Improved Water Use, Conservation, Management and Operations through the Implementation of Water Accounting Software.

Water Activity Summary:

Montezuma Valley Irrigation Company (MVIC) owns important senior decrees on the Dolores River. MVIC has embarked on a new vision to improve water and energy conservation. Water losses via canal and lateral ditch seepage and evaporation are significant. Earthen conveyances such as these require annual maintenance at substantial cost. To date, MVIC has converted 12 miles of lateral ditches to pipeline and installed several pieces of SCADA equipment. The last project was a seven-mile pipeline with the assistance of a \$2.2 million Reclamation Stimulus funding grant. As part of system analysis and improvement, MVIC recognizes the need for improved water and business management tools.

There are good, detailed records of MVIC's historical diversion and storage, but little record of deliveries to users in the system. To know where and how water is being used is necessary to determine where improvements might be most beneficial, and consequently measure the effectiveness of those improvements. Therefore this project seeks to provide the means for developing good system delivery records.

The company plans to purchase three software packages from TruePoint Solutions, a software and services company focused on water management solutions, a critical tool to the MVIC effort to improve management and operational decisions that result in efficient use of water.

MVIC will provide the computer hardware and staff to implement and operate the software on a long-term basis. MVIC has already installed a SCADA system to monitor flow rates and operate water conservation facilities. The new computer software will complement and enhance the capabilities of the current system and greatly enhance the ability of management to attain goals of efficient water delivery and use.

Threshold and Evaluation Criteria

The application meets all four Threshold Criteria.

Discussion:

As identified in the SWSI findings, small agricultural water users often lack the financial ability to adequately address infrastructure needs without financial aid. This project will ultimately improve irrigation efficiency and increase water available for agricultural use. Both of these are identified in SWSI and the Southwest Basin's consumptive needs assessments. Specifically, the Basin recognizes the need to improve and maintain existing infrastructure. In addition, this project seeks to maintain the use of a pre-Colorado River Compact water right. The proposed project effectively meets the objectives of HB 1177 and the consumptive needs of the Southwest Basin by rehabilitating existing infrastructure to preserve agricultural water use.

In addition, this project builds on work completed with previous CWCB funding. As part of their greater analysis of system-wide operations and efficiencies, MVIC has completed a bathymetric survey of Groundhog Reservoir with \$35,000 of CWCB funds. A CWCB loan for engineering and construction costs related to the Lone Pine and May Pipeline Improvements Project was approved at the March 2012 board meeting for up to \$439,603 (\$435,250 for project costs and \$4,353 for the 1% Loan Service Fee). Following construction, the loan will be amended to a long-term loan in an amount not to exceed \$339,603 (\$335,250 for the remaining balance of the Project and \$4,353 for the Loan Service Fee).

Issues/Additional Needs:

No issues or additional needs remain.

Staff Recommendation:

Staff recommends approval of up to \$52,500 from the Southwest Basin Account to help complete the project titled: Improved Water Use, Conservation, Management and Operations through the Implementation of Water Accounting Software.

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 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.