



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT 2007-2008 GRANT APPLICATION FORM

Plata Archuleta Water District

Name of Water Activity/Project

River Basin Location

\$100,000

☒

Basin Account

☐

Yes

☐

Statewide Account

☐

No

Amount of Funds Requested

Please Check Applicable Box

Approval Letter Signed By
Roundtable Chair and
Description of Results of
Evaluation and Approval
Process

*** For the Basin Account, the Application Deadline is 60 Days Prior to the Bimonthly CWCB meeting. The CWCB meetings are posted at www.cwcb.state.co.us and are generally the third week of the month.**

*** For the Statewide Account, the Application Deadline is 60 Days Prior to the March and September CWCB Board Meetings.**

* In completing the application you may attach additional sheets if the form does not provide adequate space. If additional sheets are attached please be sure to reference the section number of the application that you are addressing (i.e., A.1. etc.).

Instructions: This application form must be submitted in electronic format (Microsoft Word or Original PDF are preferred). The application can be emailed or a disc can be mailed to the address at the end of the application form. The Water Supply Reserve Account Criteria and Guidelines can be found at <http://cwcb.state.co.us/IWMD/>. The criteria and guidelines should be reviewed and followed when completing this application. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request for a grant. If you have difficulty with any part of the application, contact Todd Doherty of the Intrastate Water Management and Development (Colorado Water Conservation Board) for assistance, at (303) 866-3441 ext.3210 or email Todd at todd.doherty@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed water activity. If this is not the case, contact the Todd Doherty before completing this application.

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

1.	Applicant Name(s):	La Plata Archuleta Water District Dick Lunceford, Board President	
	Mailing address:	c/o Harris Water Engineering, Inc. 954 E. 2 nd Ave., Ste. #202 Durango, CO 81301 970-259-5322	
	Taxpayer ID#:	80-0291015	Email address: Amy@durangowater.com
	Phone Numbers: Business:	970-259-5322	
	Home:		
	Fax:	970-247-0587	

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

Name:	Amy Kraft
Position/Title	Engineer with Harris Water Engineering, Inc.

3. Provide a brief description of your organization below: see “Description of Applicant” in Part 2 of Criteria and Guidance for required information.

The La Plata Archuleta Water 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. Five Board members were also elected on August 12 and have been seated. Tabor restricts “money” elections to every November and May in even numbered years; therefore, a mill levy election to provide tax funds for the District has not been held and there was not sufficient time to hold such an election in November of 2008. The next opportunity for a mill levy election is November of 2009.

The District was formed to finance, construct, operate and maintain a public water system for a four hundred square mile service area in La Plata and Archuleta Counties. The District will eventually serve approximately 6,000 taps (residential and commercial) with 2,000 AF of water. A District Service Plan was prepared and approved by the LaPlata County Commissioners as one requirement for formation of the District; excerpts from the Service Plan are included herein. The Service Plan can be reviewed on the LAPLAWD.org web site.

The system will include water diversion facilities, treated water storage reservoirs (tanks), water treatment facilities, approximately 200 miles of distribution pipelines, water loading stations, including necessary pumps, valves and appurtenances.

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The District presently has no income to perform the work necessary to initiate the development of the water system. However, the Service Plan allows up to a 5 mill levy on the current assessed valuation of the District of \$950 million which will generate \$4,750,000 per year. The mill levy election cannot be held until November of 2009 with those funds available in the spring of 2010. The District is requesting this grant application to provide a portion of the funds for the District to begin the essential pre-construction work which will also provide information to the voters for a mill levy election in November of 2009.

Funding for construction will primarily be derived from a 5 mill levy on property within the District and to a lesser extent from tap fees. Operation and maintenance of the constructed facilities will be funded primarily by water rates and to a lesser amount from a reduced mill levy at the completion of the system.

The formation of the District and the subsequent construction and operation of the treated water system has been pursued by various county residents and the Pine River Irrigation District through its Vallecito Water Company for over 15 years. The formation of a special district, as the appropriate entity to construct and operate the system rather than the water company, has been pursued for more than 6 years by a local citizen group called the La Plata Archuleta Water District Task Force. Dick Lunceford was the leader of the effort for the continuation of the Task Force and now serves as Board Chairman.

Now that the District has been formed, future development of the water system has three major phases which are: pre-construction, construction, and operation. This grant application is to assist with pre-construction activities which can further be categorized into the following tasks. This grant application is specifically to assist with completion of Task 3 – Master Plan.

Task 1. Organization – Board secretary, bookkeeping, audit, financial system, bylaws, rules and regulations, governance documents, hire staff, office, equipment, billing system, etc.

Task 2. Public Involvement – Public meetings, web site, informational material, public interaction

Task 3. Master Plan - Determine the best development plan for the water system that considers alternative water sources and treatment plant locations, alternative pipeline routes, updated financial plan, and construction staging. The plan will address the general order of facility development and the areas to receive water. The Master Plan will include public involvement and as well as numerous Board meetings.

Task 4. Permitting – Develop information, complete, submit, and process the numerous federal, state, and local permits that will be required to address environmental impacts, water treatment plant design, LaPlata County permits, and other issues. Permit applications will be based upon the master plan and designs.

Task 5. Financing – Update and implement a financial plan for development, construction and operation of the water system. The task will include applications for grant funds and seeking a mill levy, general obligation debt, and TABOR elections.

Task 6. Coordination with Other Agencies – Negotiation and development of Intergovernmental Agreements and other contracts with other agencies. Coordination will involve discussions with adjacent entities to share facilities.

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Task 7. Design – Once the master plan is completed and approved, design of facilities will commence based on the order of construction determined in the master plan. Some facilities will be designed as part of pre-construction (e.g. river diversions, treatment plant, initial pipelines and tanks) but most of the pipelines and tanks will be designed as part of the construction phase.

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

N/A

Part B. - Description of the Water Activity – Please Refer to Criteria and Guidance Document for Eligibly Requirements

1. Name of water activity/project:

La Plata Archuleta Water District

What is the purpose of this grant application?

☐

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

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Structural and/ or nonstructural water project or activity

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2. Describe how the water activity meets these **Threshold Criteria**.

- A. The water activity meets the eligibility requirements outlined in Part 2 of the Criteria and Guidelines.

The water activity meets the eligibility requirements as:

- 1) The activity is for a Title 32 Special Water District.
- 2) The grant funds will be used for the studies necessary to prepare a Master Plan describing development of a rural water system to serve approximately 6,000 homes in southeast LaPlata County. The plan will include water treatment plants, water supply sources, and distribution facilities.
- 3) The funds will be used to initiate the water system so that it can eventually “stand on its own”.
- 4) Please see Section B.4 for additional details.

- B. The water activity is consistent with Section 37-75-102 Colorado Revised Statutes. The requirements/language from the statute is provided in Part 3 of the Criteria and Guidelines.

The District and this water activity (potable water distribution system) are consistent with Section 37-75-102. Neither the formation of the District, the construction of the water system, nor the financial assistance of the Water Supply Reserve Account, will restrict the ability of any water right holder to use or dispose of that water right in any manner permitted under Colorado law. The District will not cause injury, in any way, to any vested or decreed conditional water right. The District will be able to perfect its decreed conditional water rights in accordance with Colorado law, and the District 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.

- C. The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRTs evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

Please see the attached letter from the Southwest Basin Roundtable.

- D. The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes. The requirements/language from the statute is provided in Part 3 of the Criteria and Guidelines.

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 is beginning the process to provide treatment and distribution of potable water to the area.

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3. For Applications that include a request for funds from the Statewide Account, describe how the water activity meets the **Evaluation Criteria**. See Part 3 of Criteria and Guidelines.

Not applicable at this time.

4. Please provide an overview of the water project or activity to be funded including – type of activity, statement of what the activity is intended to accomplish, the need for the activity, the problems and opportunities to be addressed, expectations of the participants, why the activity is important, the service area or geographic location, and any relevant issues etc. Please include any relevant TABOR issues that may affect the Contracting Entity. Please refer to Part 2 of Criteria and Guidance document for additional detail on information to include.

As stated in Section A.3, the District's ultimate water project or activity is to construct and operate a potable water supply, treatment and distribution system for a 400 square mile service area in La Plata and Archuleta Counties to serve approximately 6,000 homes and businesses. The Initial Infrastructure Phase is expected to include, at a location to be determined by the Board, a river diversion (or extraction gallery/ies), a treatment plant located near the gallery (treatment process contingent upon raw water quality), a finished water storage reservoirs (tanks), main and distribution pipelines, and all necessary pumps, valves and appurtenances. Consecutive phases are expected to expand the system throughout the Service Area and to consist of distribution pipeline, storage tanks (above ground steel tanks, generally), water loading stations, pumps, valves, fire hydrants, and appurtenance. Additional diversion structures and treatment facilities may be provided in future phases.

The present water supply in the area is individual or community wells primarily based on flood irrigation to recharge the aquifers; however, flood irrigation is declining rapidly to sprinklers and conversion to small tracts. The trend appears to be for more domestic demand as property is subdivided while the ground water supply is decreasing which will increase the number of homes hauling water. Many property owners in the area already must haul water for domestic use because they have no viable well supply or the quality of the groundwater is less than desirable and not potable. The District would provide a reliable and safe supply of water that would address these issues, and would also provide a reliable source of water for fire protection, benefiting all property in the District's service area.

This activity has already included years of investigation and support, feasibility studies, preparation of a service plan, Board of County Commissioner review and approval of the service plan, District Court review of the organizational process and findings to allow an organizational election, and a successful organizational election. Many organizations and consultants have been involved in the process to date, either contributing funds or services. Extensive work and funding was provided for the original Vallecito Water Company and included: Pine River Irrigation District who contributed more than \$100,000; the Southwestern Water Conservation District who provided \$60,000; and the Water Quality Control Division who granted \$100,000. Funding or services for the formation of the District has come from: (1) individuals who contributed to the original VWC allowed the Task Force to use their funds which amounted to \$160,000; (2) Harris Water Engineering - \$42,000; (3) RS Wells - \$24,000; and (4) Collins Cockrel and Cole - \$150,000.

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The ultimate construction of the district will be financed from tax revenue, as will much of the permitting and environmental compliance activities. However, much more organizational work and development of the Master Plan must be accomplished prior to the mill levy ballot measure scheduled for November 2009. The preparation for such election will include the preparation of the Master Plan describing the development of the distribution system, assessment and prioritization of the water supply alternatives and water treatment options, and identification and prioritization of service areas with greatest need or density, which are all critical pieces of information that the voters will require for a successful mill levy election. The Master Plan will also provide the information necessary to obtain the numerous permits that will be required prior to construction.

In summary the Water Supply Reserve Account Grant will allow development of the Master Plan, which is necessary for the ultimate development of the project and to provide information to the voters for the mill levy election. The mill levy election planned for November of 2009 will also include measures to allow the District to borrow funds and address Tabor issues.

5. Please summarize the proposed scope of work. Please refer to Part 2 of the Criteria and Guidance document for detailed requirements. On the following page there is an example format for the Scope of Work. You can use the example format or your own format, provided that comparable information is included.

The scope of work should outline by task how the water activity will be accomplished. It is important that the scope of work detail the specific steps, activities/procedures that will be followed to accomplish the water activity and the specific products/deliverables that will be accomplished. The scope of work should include but not be limited to: task description, key personnel, budget, schedule and deliverables and the final report/project documentation upon completion of the water activity.

As discussed in Section B.4, this Grant application is for the development of the Master Plan, Task 3.

Any necessary legal activities will be provided by:

Collins Cockrel & Cole
390 Union Boulevard, Suite 400
Denver, Colorado 80228-1556
303-986-1551

Engineering and services will be provided by:

Harris Water Engineering, Inc.
954 E. 2nd Ave., Suite #202
Durango Colorado 81301
970-259-5322

United State Bureau of Reclamation
Upper Colorado Region
Western Colorado Area Office
835 E. 2nd Ave., Suite 300
Durango, CO 81301-5475
(The USBR will provide services subject to budget appropriations)

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To the extent the Bureau of Reclamation has funding, Reclamation has agreed to provide assistance in development of the master plan with engineering, mapping, GIS, report preparation, etc.

SCOPE OF WORK: Task 3 – Master Plan:

The specific items to be addressed in the Master Plan include, but not restricted to the following:

- a) Evaluation of the various water sources described in Section 6 below.
- b) Evaluation of treatment plant locations and sizes in relation to the water sources and demand locations.
- c) Coordination with adjoining water providers to assess if joint treatment plant might be beneficial including Town of Bayfield, Southern Ute Tribe, LaPlata West Water Authority, and City of Durango.
- d) Based on the above evaluations select the best initial and future water sources and treatment location and size.
- e) Evaluation of areas within the District that may have a higher priority for water due to severe restrictions of quantity or quality.
- f) Evaluation of the best pipeline routes and sizes based on treatment plant locations and areas of water need.
- g) Evaluation of water tank locations to provide the needed storage and elevation for pressure zones within the distribution system.
- h) Numerous presentations to the Board and public to receive input on the above alternatives.
- i) Develop the recommended specific plan to be followed to construct the water system and a general schedule of when the each portion of the facilities would be constructed.
- j) Preparation of a Master Plan report describing the “road map” for development of the water system including narrative, maps, charts, and other informational material.

The master plan will be completed in approximately August of 2009 so the plan can be used in: applications for the numerous permits; development of a financial plan to fund the construction including a likely mill levy election in November of 2009 and grant applications; complete agreements with any third party entities that are cooperators in the system development; and any other activities necessary for development of the water system. The estimated costs are shown in the table below, including hourly rates by type of expertise working on the Master Plan.

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SCOPE OF WORK COSTS	Technical Activities	Legal Activities	Misc. Activities	Total Costs
Task 3 - Master Plan	\$80,000	\$18,000	\$2,000	\$100,000

Hourly Rates:

Principal Engineer	\$150
Associate Engineer	\$100
Technical Staff & Drafting	\$50
Legal Partner	\$300
Counsel	\$225
Senior Associate	\$200
Associate	\$190
Paralegal	\$150
Law Clerk	\$110

This grant application is for work on the Master Plan between September 1, 2008 and approximately September 1, 2009. The distribution of the costs in the above table may be changed to reflect the actual distribution of work.

LAPLAWD plans to apply to the Roundtable in November of 2008 or January or 2009 for funding from the State Funding “pool” to conduct additional pre-construction tasks listed in Section A.3. (e.g. permitting applications).

The Service Plan estimates the facilities will require approximately 15 years to construct once all of the pre-construction activities are completed. The timing to complete the pre-construction activities is dependent upon the availability of grant funds.

6. Water Availability and Sustainability – this information is needed to assess the viability and effectiveness of the water project or activity. Please provide a description of each water supply source to be utilized for, or the water body to be affected by, the water activity. For water supply sources being utilized, describe its location, yield, extent of development, and water right status. For water bodies being affected, describe its location, extent of development, and the expected effect of the water activity on the water body, in either case, the analysis should take into consideration a reasonable range of hydrologic variation.

The following is a list of alternative water supplies that will be evaluated as part of the Master Plan, Task 3, as part of the scope of work for this grant application.

Animas River Basin - The LAPLAWD Task Force filed for and was granted 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.

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Piedra River Basin - The LAPLAWD Task Force filed for and was granted 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 - The LAPLAWD Task Force filed for and was granted 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 PRID Board can commit to at least 2,000 AF. 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 accumulated approximately 3,300 AF.

Animas-La Plata Project - In addition to the SUIT’s 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 State has until the end of construction to decide whether to accept the option. The District could potentially obtain a portion of this allocation.

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

The District prepared a Service Plan that describes the purposes of the District, the services the District will provide, the basic water system infrastructure, and projected costs of the system. The Service Plan includes a financial analysis and maps depicting the general location of the District. The Service Plan and Attachments can be found on the District’s website at www.laplawd.org.

8. Additional Information – If you feel you would like to add any additional pertinent information please feel free to do so here.

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

Signature of Applicant: _____ **Date:** _____

Print Applicant's Name: Dick Lunceford, Board President – LaPlata Archuleta Water District

Project Title: La Plata Archuleta Water District

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SW BASIN ROUNDTABLE CRITERIA

A. Projects must be submitted on an application form used by the State IBCC and CWCB.

All applicable sections must be completed. *The above application uses the proper form.*

B. Projects must address the values encompassed by the SW Basin Bylaws, especially the following goals and objectives:

- ☐ Seek the involvement of all interested parties and stakeholders. *A successful election was held on formation of the District which involved all parties and stakeholders.*
- ☐ Propose methods or projects, both structural and non-structural, for meeting any future needs as well as utilizing any unappropriated waters. *Addressed in application.*
- ☐ Promote the protection, conservation, and use of water in the Southwestern Colorado Roundtable area. *Addressed in application.*
- ☐ Promote the socio-economic sustainability of the Southwestern Colorado Roundtable area. *A water system for southeast LaPlata County is necessary for the present and future water users.*
- ☐ Promote the protection and conservation of the natural environment, including the protection of open space. *Not directly applicable.*

C. Provide the financial details of the plan, including cost sharing and other possible funding sources. Give a financial overview and rough timeline for completion of the project. *Refer to the Service Plan.*

To assist the Southwest Roundtable in determining whether and to what extent a proposed project meets the values set forth in the Bylaws, the following questions should be addressed separately as can reasonably be answered by the applicant.

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. *This is a single purpose project to supply drinking water to approximately 6,000 taps. The water system will provide an adequate quantity of good quality drinking water to southeast LaPlata County which presently does not have such a supply.*

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? *Described in the application.*

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? *Described in application.*

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? *Described in the application. The District cannot enter into a loan at this time due to Tabor restrictions.*

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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). *Described in application.*
6. What alternative sources of water or alternative management ideas have you considered? Are there water rights conflicts involving the source of water for the project? If so, please explain. *Described in application.*
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? *Described in application. The District was voted on in August of 2008.*
8. Is there opposition to the project? If there is opposition, how have those concerns been addressed? *There is opposition to the project. The opposer's issues will be addressed as part of the pre-construction activities, not necessarily part of the Master Plan.*
9. How does the project affect the protection and conservation of the natural environment, including the protection of open space? *Not applicable.*
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. *No impact.*
11. How does the project relate to **local** land use plans? If conflicts exist, how will these be addressed? *Formation of the District was supported by LaPlata County Commissioners. The District cannot provide water to any use unless already approved by the County. There is no conflict, the District will compliment County planning.*
12. Identify any intrabasin conflicts and how they will be addressed. *Not applicable.*
13. Identify any interbasin impacts and how any conflicts would be addressed. *Not applicable*
14. How does the project support agricultural development or protect the existing agricultural economy? *Presently much of the development is on irrigated land because of the availability of groundwater for wells. With the District there will be a water supply that is not dependent upon groundwater and the related irrigation recharge.*