

**Water Supply Reserve Account – Grant and Loan Program  
Water Activity Summary Sheet  
Agenda Item 7b**

**Applicant:** La Plata Archuleta Water District

**Amount Requested:** \$100,000

**Water Activity Name:** Water System Master Planning

**Source of Funds:** Southwest Basin Account

**Matching Funds:** None for the master plan. Local funds were used to create the district and other funding will be used to implement the project

**Water Activity Purpose:** Study or analysis of a structural project

**County:** La Plata and Archuleta Counties

**Drainage Basin:** Animas River Basin

**Water Source:** Possible sources that will be considered in the Master Plan include the Animas and Florida rivers, Piedra River, Pine River, Pine River Irrigation District, and the Animas-La Plata Project

<b>Staff Recommendation</b>
The proposed project helps implement a SWSI IPP (Identified Project and Process) and the Southwest Basin Roundtable's working needs assessment finds there will be an additional M&I "gap" if this project is not implemented. Staff recommends approval of up to \$100,000 from the Southwest Basin Account to help implement the La Plata Archuleta Water District Water System Master Plan contingent on resolution of the item in the issues/additional needs section.

**Water Activity Summary:**

*Applicant*

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. 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. 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.

*Overview of the Water Activity*

This grant application is to help the District complete a Water System Master Plan. The District presently has no income to perform the work necessary to initiate the development of the water system because Tabor restricts "money" elections to every November and May in even numbered years. The next opportunity for a mill levy election is November of 2009 at which time the District plans to seek a 5 mill levy on the current assessed valuation of the District of \$950 million which will generate \$4,750,000 per year. If passed, these funds will be 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 pre-construction work which will also provide information to the voters for a mill levy election in November of 2009.

With the formation of the District in August, 2008, future development of the water system has three major phases: pre-construction, construction, and operation. This grant application is to assist with pre-construction activities which can

further be categorized into the following categories. This grant application is specifically to assist with completion of #3 – Master Plan.

Pre-Construction

1. Organization – Board secretary, bookkeeping, audit, financial system, bylaws, rules and regulations, governance documents, hire staff, office, equipment, billing system, etc.
2. Public Involvement – Public meetings, web site, informational material, public interaction
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.
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.
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.
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.
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.

Task associated with Water System Master Plan include:

- a) Evaluation of various water sources (conditional water right on the Animas and Florida rivers, conditional water right on the Piedra River just upstream from Navaho Reservoir, conditional water right on the Pine River, leased water from the Pine River Irrigation District, and project water from the Animas-La Plata Project)
- 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.

### *Threshold and Evaluation Criteria*

The application articulates how the project meets all four Threshold Criteria.

Specifically with regard to #4 (relation to the Basin-Wide Water Needs Assessment), 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.

### *Funding Overview*

Grant funding in the amount of \$100,000 is being requested from the Southwest Basin Account. Funding from the WSRA constitutes 100% of preparing the Water System Master Plan, but only a small portion of the overall project cost. Much of the permitting, environmental compliance and ultimate construction will be financed from tax revenue. Development of the Master Plan must be accomplished prior to the mill levy ballot measure scheduled for November 2009.

### **Discussion:**

The overall water project is to construct and operate a potable water supply, treatment, and distribution system for a 400 square mile service area. 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 with conversion to sprinklers for irrigation and sub-division of land into smaller 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 will 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 project is an example of one of the original purposes for the WSRA program. Grant funding will help the District with the necessary steps so it can be a self-financing and self-supported entity. Successful completion of a Master Plan will help the District finance the remainder of the pre-construction and construction activities.

This project also helps meet a critical water supply need in the Southwest. SWSI identified this as an important project for meeting the areas M&I water supply needs.

### **Issues/Additional Needs:**

The application included sufficient detail in the Scope of Work for staff evaluation, but a more detailed Scope of Work, budget, and schedule will be needed for contracting purposes. Please provide a detailed Scope of Work for completion of the master plan including specific task. For each task describe the task, the method that will be used, and the deliverable. Please provide a detailed budget outline the costs associated with each task. Please provide a schedule for completion of each task.

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.