COLORADO WATER CONSERVATION BOARD

ALERNATIVE AGRICULTURAL WATER TRANSFER METHODS COMPETITIVE GRANT PROGRAM

GRANT APPLICATION FORM

CO Water Central Exchange	South Platte River Basin
Program/Project Name	**River Basin Name**

$150k	10% from DGC in accordance with application req.
Amount of Funds Requested	Amount of Matching Funds

Instructions: This application form must be submitted in electronic format (Microsoft Word or Original PDF). The application can be emailed or a disc can be mailed to the address at the end of the application form. The Alternative Agricultural Water Transfer Methods Competitive Grant Program, Criteria and Guidelines can be found at http://cwcb.state.co.us/LoansGrants/alternative-agricultural-water-transfer-methods-grants/Pages/main.aspx. **The criteria and guidelines must 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 Water Supply Planning Section (Colorado Water Conservation Board) for assistance, at (303) 866-3441 x3210 or email at todd.doherty@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed program/project. If this is not the case, contact Todd before completing this application.

Part A. - Description of the Applicant(s) (Program/Project Sponsor);

1. Applicant Name(s): DGC – CEO Nathan A Nordby

Mailing address: 6856 Hidden Haven Way
Falcon CO 80831

Taxpayer ID#: 474040912 Email address: Nathan.a.nordby@gmail.com

Phone Numbers: Business: 719-360-4827

Home: N/A

Fax: N/A

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

Name:

Position/Title

3. If the Contracting Entity is different then the Applicant, please describe the Contracting Entity here.

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Organizational Biography:

Dedicated General Consulting (DGC) is a family business that has served (and licensed in) real estate brokerage, and tax consultation and preparation. The owner Nathan A. Nordby is a USAFA graduate and currently serves as a director for a satellite communications control center of over $32B in assets for the USAF. DGC was formed in 2011 at the state level as an LLC and as an S-corporation at the Federal level. Their goal is to become a state leader in the private sector in real estate (traditional and non-traditional brokerage), legal and financial by providing proven solutions in non-traditional applications. Their business and home address is included on the first page and below:

Dedicated General Consulting (DGC)
6856 Hidden Haven Way
Falcon, CO 80831

Overview:

Project Purpose:

To research the feasibility of conserving water resources through sustainable alternative transfer methods from agricultural uses to municipality uses by establishing a sustainable central CO water market. This market would follow well established commercial law but with limited water management aspects producing tax revenue for the state administration.

No known previous studies have been conducted in this region or in the proposed method.

Project Goals:

1.) Create a central water district initially encompassing the area including and surrounding subdivision 8 of the South Platte River Basin. Mainly the area including and immediately surrounding, but not limited to, the east and west fork of the southernmost portion of Cherry Creek.

a. Create a sustainable water market for municipal, agricultural, industrial and private water users.

b. Create a profitable market from water resources for water communities.

c. Create a template ATM that can be reasonably administered by the state of CO.

d. Produce tax revue from profits that can be taxed in conventional commercial methods to offset minimum administrative function.

2.) Preserve the natural resources available to CO property owners (traditionally agricultural)

a. Harness existing hydrology as much as possible to create a transfer system between cherry creek and municipal users (Woodmoor, Elbert, Peyton Monument)

b. Build necessary containment areas for water storage (permanent and semi-permanent)

i. Consider the potential for open and closed storage

ii. Specifically research the possibility for boring out cisterns in the areas including and surrounding near Elbert, CO, Herring and Black Forest Rd, and vicinity of the corner of SE Cherry Creek Rd and E Jones Rd.

Background Summary:

Water rights are considered a property right in CO and generally are administered under prior appropriation. DGC does not believe that the challenge in water administration to accomplish a successful ATM is the lack of available legislation, but rather the appropriate transfer method. DGC proposes that the traditional open market institution well established within the United States lends itself to an effective ATM. However, the greatest dissimilarity between the open market system and current administration of CO water is distribution. Most specifically, water distribution presents a challenge unfamiliar to many existing commercial markets of goods and services due to the natural geographic features of CO, and the resulting legislative methods of transfer that have been adopted to balance supply and demand.

Some well known distribution methods that have been administratively controlled by CO are ditch transfer methods, change in use in water courts, prior appropriation, etc. These traditional methods have created unpredictable and unsustainable markets for water users. Additionally, these traditional methods introduce significant oversight and administration. This is especially true in a time period where the greatest demand is beginning to shift from agricultural users to municipal users. Finally, all of these challenges create a system that currently is not cost effective.

Proposed solution:

DGC proposes to establish an open market for agricultural, municipal, industrial and private water owners, buyers and brokers. DGC believes this can be accomplished through an open market ad-hock distributed network administered by the state of CO. Simply put, it would create a template market that would follow the traditional open market institution. DGC requests this initial grant to determine the feasibility of the legal and technical elements (in the proposed region). Since the open market institution is well established within the United States DGC believes the challenge is creating a template that can be used in CO to create a similar market by

transitioning current CO water practices (water law), and technical (geophysical challenges) into a living water market. After the initial feasibility study, additional grants me be requested to begin a template application in the region identified.

CO Central Exchange *Statement of Work:*

DGC will research the feasibility of establishing an open market for agricultural, municipal, industrial and private water owners, buyers and brokers in central CO. This will include the area surrounding, but not limited to, subdivision 8 of The South Platte river basin. DGC will specifically research the feasibility of implementing an open market ad-hock distribution network administered by the state of CO that would follow a traditional open market institution.

Labor and Task Allocation:

Administration:

T1: DGC management of project

T2: DGC management of project schedule

T3: DGC management of risk

T4: DGC management of legal research

T5: DGC management of geophysical research

T6: DGC First Quarter Report

T7: DGC Second Quarter Report

T8: DGC Third Quarter Report

T9: DGC Final Report

Legal Methods:

Legal method tasks are proposed to be accomplished through the joint work of DGC and a contracted water attorney in order to properly accomplish a thorough and comprehensive review as well as preparation of any required legal documents.

T10: Identify previously accomplished legal research under the ATM 2012 Grant program summary.

T11: Identification of applicable governing water laws to general area identified.

T12: Identification of stake holders based on discovery of applicable governing laws.

T13: Identification of applicable commercial law to provide alternative transfer method.

T14: Legally comprehensive summation of transfer from traditional to alternative water methods.

T15: Additional research into legal aspects including but not limited to the needs previously identified in this proposal to effectively establish an open water market in central CO.

Geophysical methods (technical):

Geophysical tasks are proposed to be accomplished through the joint work of DGC and contracted geophysical surveyors in order to properly accomplish a thorough review and any required preparation of documents. This may include, but is not limited to, actual geophysical surveys, review of available state data in project area of study and review of previous ATM studies. Additionally DGC reserves the right to contract human survey companies in order to poll local stakeholders for interest and compatibility of proposed solutions.

T16: Identify previously accomplished geophysical research under the ATM 2012 Grant program summary.

T17: Identification of existing facilities proposed potential facilities and potential boundaries of lands involved.

T18: Surveying/Data identification of counties, towns, cities, topography and location of major surface and ground water features.

T19: Information regarding the irrigated lands that are involved; including, but not limited to, tabulation of total irrigated acreage, description of cropping types, crop yields, and a total average annual water diversion for existing agricultural lands.

T20: Socio-economic characteristics of the area such as population, employment and land use.

T21: Surveys, including but not limited to, water users and their willingness to invest in alternative transfer methods in order to determine project feasibility.

Schedule:

DGC will accomplish all tasks tentatively according to the schedule provided to ensure proper administration and ultimate task accomplishment in studying the feasibility of the project. Overall DGC requests 1 year from funds issuance but reserves the right to complete project previous to the close out date if able to complete milestones ahead of schedule. Each task is annotated in the task section and also listed on the two diagrams below. The first diagram shows predicted start and end dates and the last diagram displays end dates as an overall project tracker. The dates in the first diagram include a reference to the time period from the Notice to Proceed (NTP).

Diagram 1: Task timeline

Task	Start Date	Finish Date
Administrative		
1	Upon NTP	Ongoing until project completion
2	Upon NTP	Ongoing until project completion
3	Upon NTP	Ongoing until project completion
4	Upon NTP	Ongoing until project completion
5	Upon NTP	Ongoing until project completion
6	Upon NTP	End of first quarter
7	End of First Quarter	End of second quarter
8	End of second quarter	End of third quarter
9	End of third Quarter	End of fourth quarter
Legal Methods		
10	Upon NTP	End of first quarter
11	End of first quarter	End of second quarter
12	End of first quarter	End of second quarter
13	End of first quarter	End of second quarter
14	End of second quarter	End of fourth quarter
15	End of third quarter	End of fourth quarter
Geophysical (technical)		
16	Upon NTP	End of first quarter
17	End of first quarter	End of second quarter
18	End of second quarter	End of third quarter
19	End of second quarter	End of third quarter
20	End of second quarter	End of third quarter
21	End of third quarter	End of fourth quarter
22 Reserved for potentially unidentified tasks	NA	NA

NTP = Notice to Proceed

Diagram 2: Project Completion

Task	First 6 Months						Second 6 Months					
	1st quarter			2nd Quarter			3rd Quarter			4 Quarter		
Administration	*	*	*	*	*	*	*	*	*	*	*	*
Legal Methods			T10			T11 - T13						T14 T15
Geophysical (technical methods)			T16			T17			T18 - T20			T21
Final Reports			T6			T7			T8			T9

* Administrative tasks 1-5, except reports annotated above, are ongoing until project completion.

Budget:

Proposed budget by category of labor due to related tasks are: 35% Administration, 35% Legal research, and 30% Geophysical research.

Project Risk:

Project risks amongst traditional risk, include: impossibility, unidentified costs, administrative failure, and crossroad laws. These risks are simply defined below:

1.)Impossibility: The proposed solution after initial research may be found to be impossible.

2.)Unidentified Costs: during research there may be additional criteria or tasks not properly identified in the labor allocation that require additional funding.

3.)Administrative Failure: It is possible that DGC may improperly administer contracts due to human error and common risk in contract law.

4.)Crossroads laws: It is possible that there may be found certain legalities that require a subtle change in the solution due to an impossible intersection of commercial and traditional CO water law.

Risk Management:

DGC will accomplish the following measures of control to mitigate the specific risks identified. These measures are identified directly in correspondence with the previous risks identified.

1.) DGC will reserve the right to notify the state if a impossible project consensus is reached between administration, Legal and Geophysical labor entities of the entire proposed open market ad-hoc network solution. DGC will then return and surrender any accomplished research and remaining funds to the grant point of contact.

2.) DGC will immediately notify the grant point of contact (within 5 business days) if a reasonable but unexpected cost has been identified and request re-allocation or additional funding if required.

3.) DGC will abide by the provided schedule and mandated reporting to ensure the proper administration of this project.

4.) DGC will update the grant point of contact immediately (within 5 business days) if a crossroad is reached in legal research and a significant updated solution is being proposed.

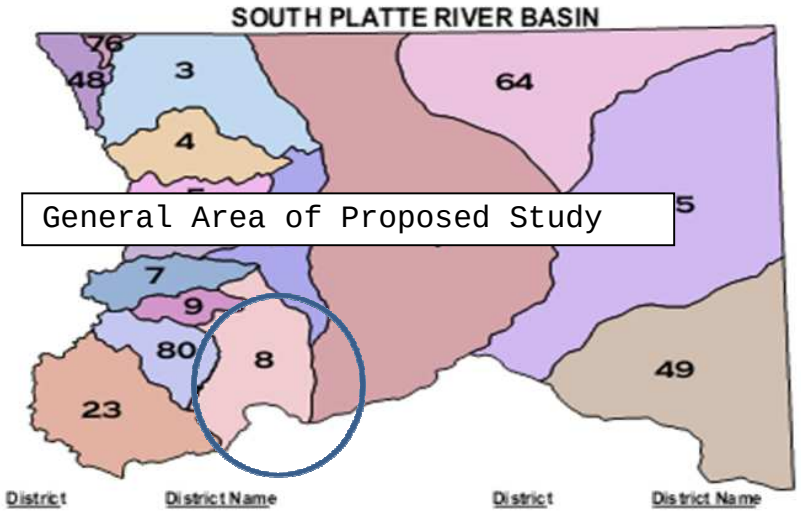
Deliverables:

DGC will provide the updated reports as identified in the schedule and one final research summary, that will include the feasibility of the proposed solution, to the grant point of contact

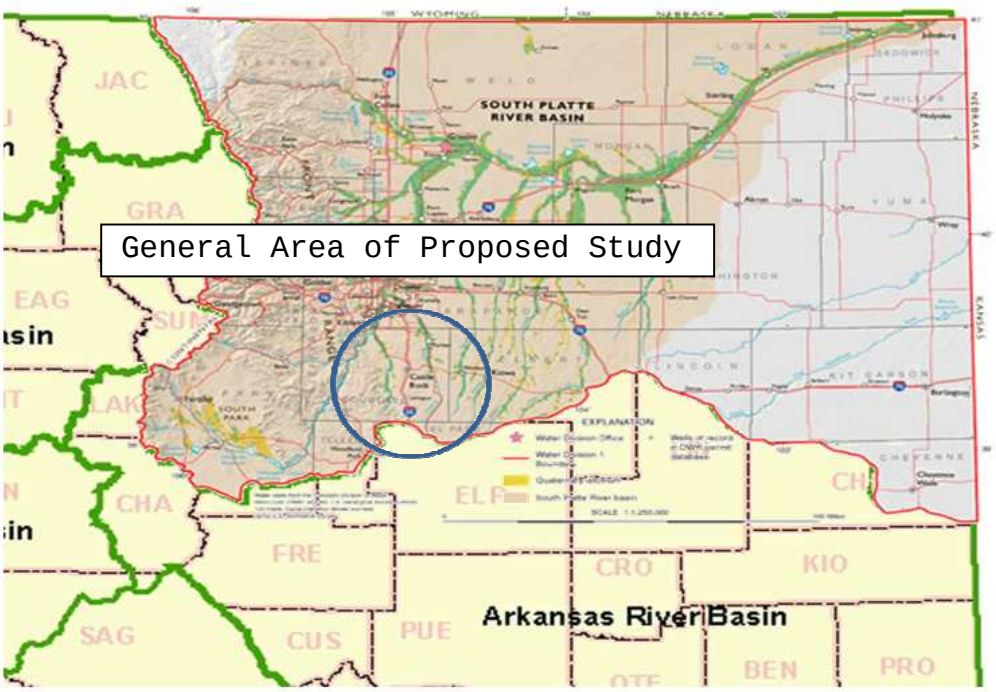
NLT 1 year from initial funds issuance. It will be in format that follows traditional ATM 2012 grant summary providing a further baseline/template for ATMs in the state of CO.

Appendix

Appendix A: Project Area Hydrological Maps



District	District Name	District	District Name
1	South Platte: Greeley to Balzac	9	Bear Creek
2	South Platte: Denver Gage to Greeley	23	Upper South Platte
3	Cache La Poudre River	48	Laramie River
4	Big Thompson River	49	Republican River
5	St. Vrain Creek	64	South Platte: Balzac to Stateline
6	Boulder Creek	65	Arikaree River
7	Clear Creek	76	Sand Creek
8	South Platte: Cheesman to Denver Gage	80	North Fork of South Platte



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

Signature of Applicant:

Print Applicant's Name:

Nathan A. Nordby

Project Title: CO Water Central Exchange

Date: 15 April 2013

Return this application to:

Mr. Todd Doherty
Colorado Water Conservation Board
Water Supply Planning Section
1580 Logan Street, Suite 200
Denver, CO 80203
Todd.Doherty@state.co.us