

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
September 24, 2013
Agenda Item 18(o)

Applicant: Delta Conservation District and Somerset Domestic Waterworks District

Water Activity Name: Somerset Diversion Improvement Study – North Fork of the Gunnison
River Corridor Project

Water Activity Purpose: Municipal/Industrial & Non-consumptive

County: Delta

River Basin: Gunnison

Water Source: North Fork of the Gunnison

Amount Requested: \$43,200 (Statewide Account); \$4,800 Gunnison Basin Account)

Matching Funds: \$10,075 in-kind match (17% -various stakeholders)

Staff Recommendation:
Staff recommends approval of up to \$43,200 from the Statewide Account, and \$4,800 from the Gunnison Basin Account to conduct the study titled: Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor Project

Water Activity Summary: WSRA funds will be expended to conduct a study to determine long term alternatives to maintain water flows to the Town of Somerset's Domestic Waterworks District which supplies treated water to 59 water taps. In addition, this study will evaluate the potential to build drop structures in the North Fork to benefit recreational boating and fishing activities under various flow regimes. Currently the diversion structure which delivers water supplies to the Treatment Works has difficulty supplying adequate amounts of water under low flow condition. The existing system to control sediment entering the water treatment facility is a temporary approach operated by Oxbow Mining LLC and is not a viable long term solution. While the existing diversion structure, filtration system and one of two water storage tanks are owned by Oxbow Mining LLC – Elk Creek Mine, ownership of all these components will eventually be transferred to the Somerset Domestic Waterworks District upon cessation of mining operations. The proposed study will: define key stakeholder's requirements for the project; and provide a preliminary project design and cost estimate, including an evaluation to determine Oxbow's willingness to allow the potential to build drop structures in the river to benefit recreational boating and fishing activities, and the development of public access rights on the river.

Threshold and Evaluation Criteria:

The application meets all four Threshold Criteria.

Funding/Match Summary:

WSRA Statewide Account	\$43,200	74.4%
WSRA Gunnison Basin Account	\$4,800	8.2%
Delta Conservation District (in-kind)	\$2,975	5.1%
Oxbow LLC (in-kind)	\$2,500	4.3%
Co Parks and Wildlife (in-kind)	\$2,000	3.4%
Somerset Domestic Waterworks District (in-kind)	\$2,000	3.4%
Trout Unlimited (in-kind)	\$400	0.8%
Paonia Kayak Club (in-kind)	\$200	0.4%
Total Project Costs	\$58,075	100%

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

Tier 1: Promoting Collaboration/Cooperation & Meeting Water Management Goals & Identified Needs:

- a. The proposed study addresses both consumptive and non-consumptive needs (domestic water supply needs, and environmental and recreational needs, respectively), and addresses the interests of multiple interests (divestiture of un-needed facilities on behalf of Oxbow Mining; the acquisition of, and control of water infrastructure facilities on behalf of Somerset Domestic Waterworks District; and the improvement of public access and recreational opportunities on behalf of the public).
- b. The proposed study represents a high degree of cooperation and collaboration among traditional consumptive water interests and non-consumptive interests represented by private and public entities, and non-governmental organizations, as is demonstrated by the in-kind contributions on behalf of most parties involved.
- c. The proposed study and potential improvements will address needs identified in the North Fork of the Gunnison Watershed Assessment.

Tier 2: Facilitating Water Activity Implementation:

- d. Receiving funding for this study will enable the North Fork of the Gunnison River Corridor Project to proceed and addresses multiple issues affecting the health of the river corridor while promoting greater awareness and greater public recreational access to the river.
- e. The combined in-kind match \$10,075 on behalf of the participants represents approximately 17% of total project costs of \$58,075 and demonstrates an appropriate commitment to the project.

Tier 3: The Water Activity Addresses Issues of Statewide Value and Maximizes Benefits:

- f. The water activity has the potential to improve environmental and recreational needs by including the possibility of the construction of drop structure that could enhance fish habitat and recreational boating opportunities, and increased river access for the public.
- g. The water activity promotes the maximum utilization of state water by improving diversion efficiencies.
- h. n/a
- i. The water activity has the potential to provide a high level of benefit to Colorado in relationship to the amounts of funds requested due to an improvement in domestic water delivery and quality, improved environmental and recreational opportunities.
- j. The water activity has the potential to compliment CWCB' Fish and Wildlife Resources Fund(ing) efforts to mitigate the impacts of existing water supply facilities and helping to preserve a balance between development of the state's resources and the protection of the state's fish and wildlife resources by including the possibility of constructing drop structures in the river that could enhance fish habitat.

Discussion:

No additional discussion is needed.

Issues/Additional Needs:

No additional issues or needs were identified.

Staff Recommendation:

Staff recommends approval of up to \$43,200 from the Statewide Account, and \$4,800 from the Gunnison Basin Account for project titled: Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor Project.

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 and Final Deliverable: 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. 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.

The Gunnison Basin Roundtable
501 Palmer Street
Delta, CO 81416

July 3, 2014

Mr. Jacob Bornstein
Intrastate Water Management and Development Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Re: Grant Request from the Water Supply Reserve Account
Delta Conservation District
Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor Project


Dear Mr. Bornstein:

This letter is presented to advise you that the grant application submitted by the Delta Conservation District for \$4,800 from Basin Account funds and \$43,200 in Statewide Account funds from the Water Supply Reserve Account for the Somerset Diversion Improvement Study – North Fork of the Gunnison River Corridor project was reviewed by the Gunnison Basin Roundtable and its Project Screening Committee and was approved by a unanimous vote of the Gunnison Basin Roundtable during our meeting on July 1, 2013.

This 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.

This activity furthers basin-wide non-consumptive needs for the Gunnison Basin along a stream segment that has been identified as needing habitat improvement and access. Additionally, this activity furthers basin-wide consumptive needs in that it rehabilitates and necessarily modifies existing infrastructure.

Sincerely,


Michelle Pierce
Chair

cc: Tom Alvey (e-mail)



COLORADO PARKS & WILDLIFE

6060 Broadway • Denver, Colorado 80216
Phone (303) 297-1192 • FAX (303) 291-7109
wildlife.state.co.us • parks.state.co.us

July 24, 2013

To: Gunnison Basin Roundtable; Colorado Water Conservation Board

Re: Delta Conservation District's WSRA Somerset Diversion Modification Study

Colorado of Parks and Wildlife (CPW) has reviewed the proposal for funding of the Somerset Diversion Modification Study from the Statewide and Basin Roundtable Water Supply Reserve Accounts. This work will occur on the N. Fork of the Gunnison River, and will result in a design and cost estimate to modify an existing diversion structure to facilitate fish and boater passage while also ensuring that the Somerset Water Supply Company has a reliable diversion structure for the long term. The Bowie-Somerset diversion is located on the N. Fork Gunnison between Paonia Reservoir and the Fire Mountain Canal, which is considered a high quality cold water fishery that also contains a robust population of bluehead suckers, one of three native warm water species that are the subject of a six-state, multi-agency conservation agreement. Improvements to in-stream habitat, fish passage, and stability of diversions in the reach would all serve to benefit both cold water and native cool water species. In addition, we understand that a significant long-term component of this project is improved public access to this reach of the river. CPW is especially supportive of improving the ability of the public to enjoy the river, since the river has very limited access below Paonia State Park.

CPW is pleased to see multi-purpose projects such as this that will blend improvements to an existing water supply with the enhancement of river function and river-based recreational opportunities. With this letter of support we offer whatever technical assistance we can provide and look forward to stakeholder dialogue that moves the Somerset Diversion Modification Study toward implementation.

Regards,

J Wenum
Area 16 Wildlife Manager-Gunnison

Cc: David Graf, CPW Water Specialist
Kirk Madariaga, DWM Paonia
Ralph D'Alessandro, Delta Conservation District

STATE OF COLORADO
John W. Hickenlooper, Governor • Mike King, Executive Director, Department of Natural Resources
Rick D. Cables, Director, Colorado Parks and Wildlife
Parks and Wildlife Commission: David R. Brougham • Gary Butterworth, Vice-Chair • Chris Castilian
Dorothea Farris • Tim Glenn, Chair • Allan Jones • Bill Kane • Gaspar Perricone • Jim Pribyl • John Singletary
Mark Smith, Secretary • Robert Streeter • Lenna Watson • Dean Wingfield
Ex Officio Members: Mike King and John Salazar



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

SOMERSET DIVERSION IMPROVEMENT STUDY-NORTH FORK OF THE
GUNNISON RIVER CORRIDOR PROJECT

Name of Water Activity/Project

DELTA CONSERVATION DISTRICT and
SOMERSET DOMESTIC WATERWORKS DISTRICT

Name of Applicant

Gunnison Basin
Roundtable

Amount from Statewide Account:

\$43,200

Amount from Basin Account(s):

\$ 4,800

Total WSRA Funds Requested:

\$48,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

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Required Exhibits

- A. Statement of Work, Budget, and Schedule
- B. Project Map
- C. As Needed (i.e. letters of support, photos, maps, etc.)

Appendices – Reference Material

- 1. Program Information
- 2. Insurance Requirements
- 3. WSRA Standard Contract Information (Required for Projects Over \$100,000)
- 4. W-9 Form (Required for All Projects Prior to Contracting)

Water Supply Reserve Account – Application Form

Revised December 2011

Instructions

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Greg Johnson – WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203
gregory.johnson@state.co.us

If you have questions or need additional assistance, please contact Greg Johnson at: 303-866-3441 x3249 or gregory.johnson@state.co.us.

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

1.	Applicant Name(s):	DELTA CONSERVATION DISTRICT-1°APPLICANT/ SOMERSET DOMESTIC WATERWORKS DISTRICT		
	Mailing address:	690 Industrial Blvd Delta, Colorado 81416		
	Taxpayer ID#:	84-6010950		
	Primary Contact:	RALPH D' ALESSANDRO	Position/Title:	President
	Email:	rdinca@yahoo.com		
	Phone Numbers:	Cell: (970) 314-5355	Office:	(970) 874-5726 x121
	Alternate Contact:	David Carey	Position/Title:	Manager
	Email:	david.carey@co.nacdnet.net		
	Phone Numbers:	Cell:	Office:	(970) 874-5726 x121

2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

- ☐ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☒ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☐ Non-governmental organizations – broadly defined as any organization that is not part of the government.

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3. Provide a brief description of your organization

The Delta Conservation District (DCD) is a political subdivision of the State of Colorado and its authorities, powers and structure are contained in Colorado Revised Statutes, Title 35, Article 70. The District, initially known as the Delta Soil Conservation District, was organized in 1951 in compliance with the Colorado Revised Statutes and received a certificate of organization from the Colorado Secretary of State. Water quality and quantity, including riparian habitat, are areas of concern within the District's statutory mandate. The DCD has Weed Control and Management as one of its Natural Resource Goals and Objectives in its 2011-2013 Long Range Plan. In 2011 the DCD partnered with Delta County, through its weed coordinator, and the NFRIA-WSERC Conservation Center (NWCC) to conduct an invasive weed survey and removal project on approximately 2 miles of riparian land in two contiguous conservation easements (The Curry Easements) in the area of a former in-stream gravel mine. In 2012 and again in 2013 the DCD utilized the Western Colorado Conservation Corps to address and remove Russian olive and tamarisk from parcels of approximately 300 acres of public and private land along the corridor of the North Fork of the Gunnison River. The DCD's 2013 Annual Plan of Work continues to address and promote the health of the river corridor. The funding sought for this project is one part of the DCD's Annual Plan of Work. The improvement of diversions along the river corridor and water quality in general are major concerns and goals of the District. This project will advance those goals by providing a plan for improving the domestic water supplied to the Somerset Domestic Waterworks District (SDWD) and provide the potential for increased river access for the public along a stretch of the North Fork of the Gunnison River where public access is limited to one location between the Towns of Somerset and Hotchkiss.

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

Contracting and ~~N/A~~ Fiscal Agent for the contract will be the Delta Conservation District

5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

☒ The Applicant will be able to contract with the CWCB using the Standard Contract

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.

There are no relevant TABOR issues.

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Part II. - Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

☐ Nonconsumptive (Environmental or Recreational)

☐ Agricultural

☒ Municipal/Industrial

☐ Needs Assessment

☐ Education

☐ Other

Explain:

2. If you feel this project addresses multiple purposes please explain.

The Somerset Diversion Improvement project provides multiple potential benefits to the North Fork of the Gunnison River. The consumptive use portion of the study addresses the municipal/industrial diversion at Somerset. This project will provide the engineering data to improve the diversion to enhance low river flow performance and a modification also that will reduce sediment infiltration through the diversion for the Somerset Domestic Waterworks District (SDWD). The SDWD provides domestic water to the Gunnison County Town of Somerset. Obtaining this data is critical to the SDWD's ongoing long-term system maintenance planning. Implementing the resultant engineering plans could save substantial thousands of dollars annual in maintenance costs and improve the water quality utilized domestically long term and shorter term for the industrial use. The non-consumptive portion of the study will develop the potential of a public access point for boating and fishing, and improve the river reach around the diversion for boating and fish habitat.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

☒ Study

☐ Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

New Storage Created (acre-feet)

New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)

Existing Storage Preserved or Enhanced (acre-feet)

Length of Stream Restored or Protected (linear feet)

Length of Pipe/Canal Built or Improved (linear feet)

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4. To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude:

N 38° 52' 29"

Longitude:

W 107° 35' 45"

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

The project is located within environmental segment 6 on the North Fork of the Gunnison River stretching above the Town of Paonia upstream to the Paonia Dam and downstream from Paonia to the confluence with the Gunnison River. The project will complete a Somerset diversion modification study defining key stakeholders' requirements for the project, a preliminary design, and a project cost estimate. Currently, the Somerset diversion is owned and operated by Oxbow Mining LLC – Elk Creek Mine (Oxbow). This diversion supplies domestic water to the Somerset Domestic Waterworks District (SDWD) which has 59 water taps currently in use pursuant to a 1936 decree as amended in 1973. See water rights Exhibit D. Oxbow has signed an agreement with Gunnison County in which it agreed to enter into an agreement with SDWD to transfer ownership of the water treatment plant and related facilities to SDWD, one of two water tank storage units to be transferred during active mine operations and the entire system at cessation of operations. See MOA's Exhibit E. SDWD's overriding concern is to maintain water flow to the community in view of the now nearer term closing of the Elk Creek Mine. The current system to control sediment entering the water treatment facility is a temporary approach operated by Oxbow utilizing a pump and is not a permanent long term solution to the sediment problem. The existing diversion structure hampers fish passage during low flow. The preliminary design process also will evaluate the potential to build drop structures in the river to benefit recreational boating in high water and fishing in low water. Oxbow management has indicated it will consider the development of public access rights as part of a diversion modification project if the study shows its feasibility and key stakeholders' requirements can be met. Both Trout Unlimited and Colorado Division of Parks and Wildlife (COP&W) are extremely interested in participating in the project for both potential public access and improved fish habitat.

In-kind participation by the WSCC, SDWD, Oxbow, COP&W, TU, and DCD and project management will complete the matching funding.

Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

The proposed project, "North Fork of the Gunnison River Corridor Project," meets the criteria established in Senate Bill 06-179, as an Eligible Water Activity. The project proposed consists of three tasks. Task 1 will complete a Somerset diversion modification study defining key stakeholders' requirements for the project. Task 2 will provide a preliminary design and a project cost estimate to help maintain the flow of water to the community of Somerset supplied via Somerset Domestic Waterworks District. The preliminary design process also will evaluate the potential to build drop structures in the river to benefit recreational boating in high water and fishing in low water, for which Oxbow management is willing to consider the development of public access rights as part of a diversion modification project if the study shows its feasibility and key stakeholders' requirements can be met. The final task will comprise a final report.

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- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.¹

The proposed project will proceed from the foundational principle that the water rights of any landowner, domestic water or irrigation company will not in any way be superseded, abrogated, or otherwise impaired or affected by invasive removal and surveying efforts or the diversion study of this project.

- b) 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 BRT's 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.

¹ 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

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- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.² The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

The project will include the removal and survey of invasive weeds, the mapping of river diversions and return flows, the consolidation of prior river studies, the publication of a public river access brochure, and the completion of an industrial/municipal diversion modification study, all of which will have no impact on any water rights, while increase the public's nonconsumptive use of the river corridor. Therefore, the project meets Section 37-75-104(2) C.R.S..

- d) Matching Requirement: For requests from the Statewide Fund, the applicants is required to demonstrate a **20 percent** (or greater) match of the request from the Statewide Account. Statewide requests must also include a minimum match of **5 percent** of the total grant amount from Basin Funds. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the application was submitted to the CWCB. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

The total project funding request is \$48,000 and the total match amount is \$14,875, including the \$4,800 Basin Roundtable amount. The total program cost is \$58,075. The total match is 30.1 percent.

² 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

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2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

Relative to the Tier 1, the number and different types of entities represented in this application include a local community water system (Somerset Domestic Waterworks System), a major local industry (Oxbow Mining LLC), the local conservation district (DCD), a local conservation center (WSCC) concerned with river health and committed to invasive control in riparian corridors, a local recreational river use organization (Paonia Kayak Club), Colorado Parks and Wildlife, and the local chapter of a national fishery organization (Trout Unlimited). The project will promote cooperation and collaboration among the Oxbow Mine, a traditional consumptive water user and multiple organizations with non-consumptive interests, including the Paonia Kayak Club, Trout Unlimited, and WSCC and the fishing and boating public. The project will address needs identified in the North Fork of the Gunnison Watershed Assessment.

Relative to the Tier 2, receiving funding for this project will enable the North Fork of the Gunnison River Corridor Project to proceed and address multiple issues affecting the health of the river corridor while promoting greater public awareness and greater public recreational access to the river.

Relative to the Tier 3, funding of this project will provide the public with potentially an additional recreational access point to the river corridor.

Evaluation Criteria – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

Tier 2: Facilitating Water Activity Implementation

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- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).
- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.

Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

Please attach additional pages as necessary.

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Part IV. – Required Supporting Material

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

N/A – for the non-consumptive use portion of the project.

For the consumptive use portion of the project, the water rights will be the existing rights of Oxbow Mining LLC and the Town of Somerset's Domestic Waterworks District. This portion of the project involves no water issues and merely improves the existing diversion.

2. Please provide a brief narrative of any related studies or permitting issues.

NA

3. Statement of Work, Detailed Budget, and Project Schedule

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

Please provide a detailed statement of work using the template in Exhibit A. Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

REPORTING AND FINAL DELIVERABLE

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 statement of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

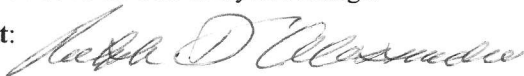
Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

PAYMENT

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. 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 help promote the development of a common technical platform.

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

Signature of Applicant:



Print Applicant's Name: RALPH D' ALESSANDRO

PRESIDENT, BOARD OF SUPERVISORS, DELTA CONSERVATION DISTRICT

Project Title: North Fork of the Gunnison River Corridor Project

Return an electronic version (hardcopy may also be submitted) of this application to:

Greg Johnson – WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203
gregory.johnson@state.co.us

Exhibit A

Statement of Work

WATER ACTIVITY NAME – Somerset Diversion Improvement Study -North Fork of the Gunnison River Corridor Project

GRANT RECIPIENT – DELTA CONSERVATION DISTRICT (DCD)

FUNDING SOURCE - Water Supply Reserve Account – Statewide Account

INTRODUCTION

This project covers the North Fork of the Gunnison River and includes:

Three tasks which will complete a Somerset diversion modification study defining key stakeholders' requirements for the project, a preliminary design, a project cost estimate and final report.

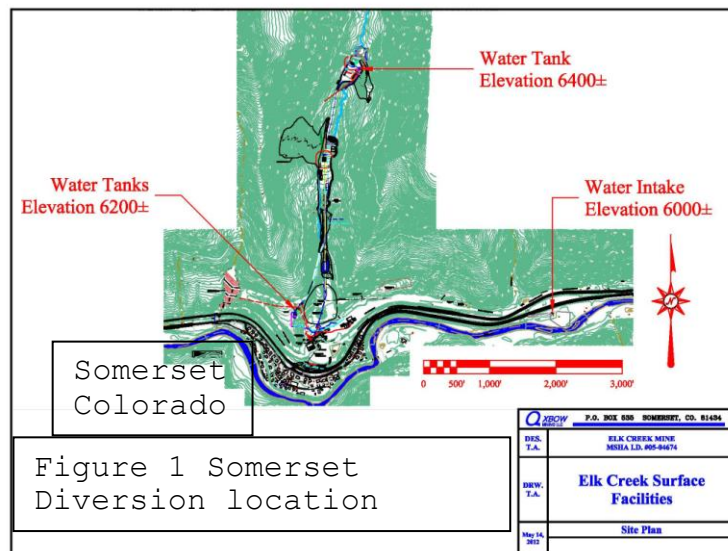
OBJECTIVES

The project objectives include:

1. Somerset Diversion Modification and River Improvement Study

Background – The Somerset diversion is owned and operated by Oxbow Mining LLC – Elk Creek Mine. See Figure 1. This diversion, while providing industrial water for the mine, more importantly for the longer term concern also provides the municipal water for the town of

Somerset via the Somerset Domestic Waterworks District.. Currently, the diversion has difficulty diverting the required water during low flow periods. Also, the filtration system that removes sediment is old and apparently requires significant maintenance. The domestic water system is of increasing concern as the cessation of mining operations nears and the community works to maintain the continued flow of high quality water to its water district users. The filtration system is due to be transferred to the Somerset Domestic Waterworks



District at the cessation of mining operations with one water storage tank unit to be transferred during the remaining period of active mining operations. The entire water treatment facility is to

be transferred at cessation of mining operations and is mostly a durable system. The filtration system currently used is of a temporary nature using mine equipment.

This stretch of the North Fork River (NF) has a variable boating season of 1-9 weeks of higher flows (1000+ cfs) and benefits from extended flows down to the 256 cfs that are delivered to the Fire Mountain Canal below Somerset, Colorado. These lower flows last through the irrigation season typically into September or even October.

Fishing on the North Fork is limited by access; however, is considered excellent for trout. Legal access to the 20 mile stretch of the NF from Paonia Reservoir to the Town of Paonia is limited to the State Park below the Paonia Reservoir dam and the River Park in Paonia.

Preliminary discussions with Oxbow indicates that management will consider allowing drop structures to be built in the river to benefit recreational boating in high water and predominately fishing in low water. Oxbow will consider the development of access rights as part of the preliminary design process.

Preliminary discussions with Colorado Parks and Wildlife indicate they are interested in supporting this proposal.

TASK 1 – Establishing the Preliminary Design Requirements

Description of Task

Task 1 will assemble the key stakeholders to define all the requirements that must be incorporated into the preliminary design. The general focus of the design requirements will be on:

- Insuring that the diversion modification will successfully divert the required amount of water at all river flows and reducing the amount of sediment taken into the diversion;
- Developing a series of drop structures above and below the diversion that enhance both fish habitat and recreational boating;
- Defining all issues associated with public access to this area and developing potential resolutions to all issues; and
- Other requirements as defined by the stakeholders.

Method/Procedure

Individual stakeholder discussions will be held to establish a draft set of design criteria. Once that is completed, meetings including all stakeholders will be held to finalize the design requirements.

Deliverable

The design requirements will be delivered in the final report.

TASK 2 –Preliminary Design Development

Description of Task

The purpose of this task is to develop a preliminary design and cost estimate for construction based on the requirements defined in Task 1.

Method/Procedure

The starting point for the preliminary design will be the results of Task 1. The design effort will include preliminary evaluation of long-term maintenance and 100-year flood impact on the designed structure and the surrounding floodplain. The preliminary design process will

incorporate the latest analysis technologies that have been proven successful in the design and evaluation of diversion structure modifications.

DCD will release a competitive procurement for the preliminary design effort from among engineering firms such as McLaughlin Engineering, Tetra-Tec and Buckhorn Geotech. The selection process will be based on a best-value approach and will not be based strictly on cost. Engineering capabilities and past performance will be weighted equally with the bid cost. The least risk, best-value proposal will be selected for award. DCD will seek as a winning firm one that has demonstrated capabilities and past performance at a level that minimizes the risks of the project. The draft preliminary design review process will include a review by all of the key stakeholders.

Deliverable

The preliminary design will be delivered in the final report. All design efforts and approach methods will be documented. All models and data used in the design process will be supplied in electronic format usable by standard design software.

TASK 3 – Final Report

Description of Task

The effort of this task is to compile and document all of the activities of this project.

Method/Procedure

The results of this project will be implemented into the final report. The report will be contributed to and reviewed by all of the partners. The final report will be reviewed and approved by the Board of Supervisors of the DCD.

Deliverable

The final report is the deliverable.

REPORTING AND FINAL DELIVERABLE

DCD shall provide a progress report every 6 months, beginning from the date of the executed contract. Our progress reports shall describe the completion or partial completion of the tasks identified in the statement of work including a description of any major issues that have occurred and any corrective action taken to address these issues. All deliverables defined for the tasks will be delivered in the progress reports.

At completion of the project, DCD shall provide a final report that summarizes the project and documents how the project was completed. Our report may contain photographs, summaries of meetings, engineering reports/designs, and deliverables defined for each task.

PROJECT BENEFITS

The will result in the following benefits:

- A Somerset diversion modification and river improvement preliminary design and cost estimate to complete the project will be available;
- The resultant engineering study will provide a design of an improved diversion that will better meet the consumptive use requirements; and
- The resultant engineering study will provide a design for improved in river structures that will enhance nonconsumptive use for both fish habitat and recreational boating and provide the potential for an additional public access site to the river.

PROJECT SUPPORTERS

Oxbow Mining LLC, Somerset Domestic Waterworks District, Trout Unlimited, Paonia Kayak Club, Colorado Parks and Wildlife, and Western Slope Conservation Center (formerly NWCC)

BUDGET

The total project funds are given in the Grant Request Table. A total project budget by task is given below

Grant Request Table			
Total Project Cost	\$58,075	Status	Funding Work Area
Water Reserve Account – Statewide Account	\$43,200		Tasks 1 through 3
Gunnison Basin Roundtable	\$ 4,800		Tasks 1 through 2
List Funding Sources			
Delta Conservation District	\$2,975	In Kind	Tasks 1 through 3
Oxbow LLC	\$2,500	In Kind	Tasks 1 and 2
Parks and Wildlife	\$2,000	In Kind	Tasks 1 and 2
Somerset Domestic Waterworks District	\$2,000	In Kind	Tasks 1 and 2
Trout Unlimited	\$ 400	In Kind	Tasks 1 and 2
Paonia Kayak Club	\$ 200	In Kind	Tasks 1 and 2

SCHEDULE - The following tables provide a project schedule including key milestones for each task and the completion dates.

Phase/Task	Start Date	Finish Date
Somerset Diversion Modification and River Improvement Study	1/1/2014	12/31/2014
Task 1 Establishing the Preliminary Design Requirements	1/1/2014	3/31/2014
Task 2 Preliminary Design Development	2/1/2014	10/31/2014
Task 2 Final Report	10/1/2014	12/31/2014

Somerset Diversion Modification Study	Labor`	ODC	In-Kind Match	Total
Task 1 – Establishing the Preliminary Design Requirements	\$3,200	\$100	\$ 7,500	\$10,800
Task 2 -Preliminary Design Development	\$3,500	\$40,600	\$ 2,100	\$46,200
Task 3 – Final Report	\$ 500	\$100	\$ 475	\$ 1,075
TOTAL	\$7,200	\$40,800	\$10,075	\$58,075

ODC

- Office supplies and materials – \$200;
- Engineering subcontract - \$40,600

Labor is DCD project labor and management, and administration estimated at 288 hours valued at \$25.00 per hour.

In-Kind Contribution

Company	Hours	\$/H	Total
Oxbow	50	\$ 50	\$2500
Parks and Wildlife	50	\$ 40	\$2000
Somerset Domestic Waterworks System	50	\$ 40	\$2000
DCD	119	\$ 25	\$2975
Trout Unlimited	10	\$ 40	\$ 400
Paonia Kayak Club	10	\$ 20	\$ 200

PAYMENT

DCD will request payment based on actual expenditures and invoice accordingly to CWCB. The request for payment will include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. DCD understands that the last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. All products, data and information developed as a result of this grant will 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 the Gunnison Basin Roundtable.

INSURANCE REQUIREMENTS

DCD will meet all insurance requirements taken from the standard contract apply to WSRA projects that exceed \$25,000 in accordance with the policies of the State Controller's Office. Proof of insurance as stated below will be provided upon notification of intent to award this grant.

W-9 FORM

DCD will provide a completed W-9 form prior execution of a contract or purchase order.