

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
March 18-19, 2014
Agenda Item 17(h)

Applicant: La Plata County Palo Verde Public Improvement District #3

Water Activity Name: La Plata County Palo Verde PID #3 Water Delivery Project

County: La Plata

River Basin: Southwest

Water Source: The City of Durango

Amount Requested: \$25,000 from the Southwest Basin Account

Matching Funds: \$472,276 cash match (86% of total project costs), \$50,000 cash match Southwest Water Conservation District (5.5% of total project costs); Total Project Costs (\$547,276) Match = 95.5%

Staff Recommendation:
Staff recommends approval of up to \$25,000 from the Southwest Basin Account for the project titled: La Plata County Palo Verde PID #3 Water Delivery Project.

Water Activity Summary: WSRA Grant funds will be expended to construct 3,650 lineal feet of 8-inch water to serve up to 17 lots within the Palo Verde Subdivision, including the installation of individual water meters, fire hydrants and payment of plant investment fees. The proposed water system will tie into the City of Durango's municipal water system, and water supply will be provided by the City of Durango, which has agreed to provide service to the District through an agreement with the property owners.

Threshold and Evaluation Criteria:

The application meets all four Threshold Criteria.

Funding/Match Summary:

<u>Funding Source</u>	<u>Cash Match</u>
Palo Verde Public Improvement District	\$472,276
Southwest Water Conservation District	\$50,000
WSRA Southwest Basin Account	\$25,000
Total Project Costs	\$547,276

Discussion:

No additional discussion is needed.

Issues/Additional Needs:

No additional issues or needs were identified.

Staff Recommendation:

Staff recommends approval of up to \$25,000 from the Southwest Basin Account for project titled: La Plata County Palo Verde PID #3 Water Delivery 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.

SOUTHWEST BASINS ROUNDTABLE

Michael Preston, Chair
c/o Dolores Water Conservancy District
P.O. Box 1150
Cortez, Colorado 81321
970-565-7562

January 15, 2014

Mr. Craig Godbout
Water Supply Management Section
Colorado Water Conservation Board
1580 Logan Street, Suite 600
Denver, Colorado 80203

SUBJECT: La Plata County Palo Verde Improvement District - \$25,000 from Basin
Account

Dear Mr. Godbout:

The Southwest Basin Roundtable is pleased to recommend funding of \$25,000 from the Southwest Basin Account for La Plata County Palo Verde Improvement District. The application was considered in detail and approved at the January 8, 2014 meeting of the Southwest Basin Roundtable. There was a quorum of Roundtable members present.

The proposed project is consistent with the Southwest Basin Roundtable M&I strategy which includes providing access to domestic water supplies in areas where the proponents are making substantial investments of their own funds to leverage loans and grants to meet long term supply needs. This project, which involves providing subdivision residents with potable domestic water to replace unreliable and poor quality ground water, is consistent with this strategy. It is also an important pilot in La Plata County for the use of Public Improvement Districts to address this problem in other areas of the County.

The completed Grant Application will be forwarded directly to you by the applicant. Please contact the applicant directly or me at 970-565-7562, mpreston@frontier.net, if you have questions or wish to discuss this application in more detail.

Sincerely,



Michael Preston
Southwest Basin Roundtable Chair



La Plata County
Colorado

Board of County Commissioners

Robert A. Lieb, Jr., Chair • Julie Westendorff, Vice Chair • Gwen A. Lachelt, Commissioner

1060 East 2nd Ave
Durango, CO 81301
(970)382-6210

December 10, 2013

Mr. Craig Godbout
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203

Subject: WSRA Application - La Plata County Palo Verde Public Improvement
District #3

Ladies and Gentlemen:

Attached please find the complete application of the La Plata County Palo Verde Public Improvement District #3 for a \$25,000 grant from the Southwest Basin Roundtable Account. The formation of the La Plata County Palo Verde Public Improvement District was approved by the voters on November 5, 2013, and the District was officially established by the La Plata County Board of County Commissioners by Resolution No. 2013-43, adopted on November 26, 2013.

With respect to the Basin Account grant insurance requirements, since the La Plata County Palo Verde Public Improvement District #3 is newly formed, we are in the process of obtaining insurance and will submit an insurance certificate to you as soon as it is available.

If you have any questions or if any additional information is required, please contact me at 970-382-6211. On behalf of the La Plata County Palo Verde Public Improvement District #3, thank you for your consideration.

Sincerely,

Joanne M. Spina
Assistant County Manager

**WATER SUPPLY RESERVE ACCOUNT
 APPLICATION FORM**

Today's Date: Dec. 10, 2013

La Plata County Palo Verde Public Improvement District
 #3 Water Delivery Project

Name of Water Activity/Project

La Plata County Palo Verde Public Improvement District #3

Name of Applicant

Southwest Basin
 Roundtable

Amount from Statewide Account:

Amount from Basin Account(s):

Total WSRA Funds Requested:

\$25,000

\$25,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN

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Required Exhibits

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

Appendices – Reference Material

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

Water Supply Reserve Account – Application Form

Revised October 2013

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:

Craig Godbout - WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203
Craig.godbout@state.co.us

If you have questions or need additional assistance, please contact Craig Godbout at: 303-866-3441 x3210 or craig.godbout@state.co.us.

Water Supply Reserve Account – Application Form

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

1.	Applicant Name(s):	La Plata County Palo Verde Public Improvement District #3		
	Mailing address:	c/o La Plata County 1060 E. 2 nd Ave. Durango, CO 81301		
	FEIN #:			
	Primary Contact:	Joanne M. Spina	Position/Title:	Asst. County Manager
	Email:	Joanne.spina@co.laplata.co.us		
	Phone Numbers:	Cell: 970-759-1102	Office:	970-382-6211
	Alternate Contact:	Jim Davis	Position/Title:	Public Works Director
	Email:	Jim.davis@co.laplata.co.us		
	Phone Numbers:	Cell: 970-749-9437	Office:	970-382-6271

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. (Note: The applicant is a Title 30 District.)
- ☐ 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 formation of the La Plata County Palo Verde Public Improvement District #3 was approved by the voters of the district on November 5, 2013. It is a public improvement district formed in accordance with C.R.S. 30-20-501 et seq. to construct a water delivery system to the residents of the Palo Verde subdivision in La Plata County, Colorado.

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

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. Adam

☒ 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.

On November 5, 2013, the eligible voters of the La Plata County Palo Verde Public Improvement District #3 authorized the district to incur indebtedness and “de-Bruced” the district.

Water Supply Reserve Account – Application Form

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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.

N/A

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)

3,650

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

Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

Water Supply Reserve Account – Application Form

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

Latitude:

37N 14' 2"

Longitude:

107W 49' 14"

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 consists of the construction of 3,650 linear feet of 8-inch water main to serve up to 17 lots within the Palo Verde subdivision, including the installation of individual water meters, fire hydrants and payment of plant investment fees. Water will be provided by the City of Durango, and each property will be individually metered. The City of Durango will also maintain the water lines that will be built by the District. The WSRA funding will be used to assist with the project construction.

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

This project is consistent with Section 37-75-102 Colorado Revised Statutes in that its purpose is to connect up to 17 properties to the City of Durango's municipal water system. The City has agreed to provide the water and has adequate water rights to serve the properties.

- 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.

A concept paper concerning the proposed project was presented to the Southwest Basin Roundtable on November 13, 2013 and consensus was reached among the membership. A letter concerning the formal approval of the Southwest Basin Roundtable will be submitted by its Chair to the Colorado Water Conservation Board.

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.

A letter concerning the formal approval of the Southwest Basin Roundtable will be submitted by its Chair to the Colorado Water Conservation Board.

- d) Matching Requirement: For requests from the Statewide Fund, the applicants will be required to demonstrate a 25 percent (or greater) match of the total grant request from the other sources, including by not limited to Basin Funds. A minimum match of 5% of the total grant amount shall be from Basin funds. A minimum match of 5% of the total grant amount must come from the applicant or 3rd party sources. 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)

N/A – we are not requesting funds from the Statewide Fund.

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.**

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

- 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.

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Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.
Please attach additional pages as necessary.

Water Supply Reserve Account – Application Form

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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.

The water supply will be provided by the City of Durango, which has already agreed to provide service to the District through an agreement with the property owners. The proposed project will tie into the City of Durango's municipal water system, which has adequate water rights to provide water to the District. Each property will have its own individual meter. There are no water rights issues associated with the project.

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

An environmental assessment is underway and is substantially completed. It will be fully completed prior to construction of the project. The District will obtain a "location and extent" permit from La Plata County prior to the construction of the project.

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.

Please see attached Exhibit A - Statement of Work.

Water Supply Reserve Account – Application Form

Revised October 2013

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: Robert A. Lieb, Jr., Chair

Project Title: La Plata County Palo Verde Public Improvement District #3 Water Delivery Project

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

Craig Godbout – WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203
craig.godbout@state.co.us

**Colorado Water Conservation Board
Water Supply Reserve Account – Basin Funds
Application of La Plata County Palo Verde Public Improvement District #3**

Statement of Work

Water Activity Name: La Plata County Palo Verde Public Improvement District #3 Water Delivery Project

Grant Recipient: La Plata County Palo Verde Public Improvement District #3

Funding Source:

This project seeks \$25,000 in funding from the Colorado Water Conservation Board Basin Account. The project has already been awarded a \$50,000 grant from the Southwestern Water Conservation District. The balance of the project costs will be paid through a loan from the Colorado Water Resources and Power Development Authority Drinking Water Revolving Loan Fund.

Introduction and Background:

The Palo Verde Water Delivery Project (the "Project") will be constructed by the La Plata County Palo Verde Public Improvement District #3 (the "District"). The District consists of the Palo Verde subdivision, which is located on the eastern boundary of the City of Durango, approximately ¼ mile north of U.S. Highway 160 in the Grandview area. The Project will be constructed to deliver treated water from Durango's municipal water system to the Palo Verde subdivision. It is notable that this project has been advanced through the initiative of the property owners themselves and will benefit approximately 50 people who live in the subdivision. Water will be provided by the City of Durango and each property will be individually metered. The City of Durango will also maintain the water lines that will be built by the District. The project is included on the 2014 Drinking Water Revolving Loan Fund Eligibility List. Goff Engineering has completed the engineering work and construction plans and specifications have been prepared.

Objectives:

The objective of the project is the construction of 3,650 linear feet of 8-inch water main to serve up to 17 lots within the Palo Verde subdivision, including the installation of individual water meters, fire hydrants and payment of plant investment fees.

Tasks:

Task 1 – Construction of water line and installation of meters and fire hydrants.

Description of Task: The construction of 3,650 linear feet of 8-inch water main, and the installation of individual meters and fire hydrants.

Method/Procedure: The water main will be installed underground in the Oso Grande Drive right of way and individual meters will be installed on each property. Four fire hydrants will also be installed.

Deliverable: Operational water line, meters and fire hydrants.

Reporting and Final Deliverable: We expect that the project will be completed approximately 2 months from start date; therefore, we expect to provide one combined progress and final deliverable report.

Budget:

La Plata County Palo Verde Public Improvement District #3					
Engineering and Design Services					
	Goff Engineering & Surveying-plan engineering	1	LS	\$5,000	\$5,000
Engineer's Estimate of the Probable Cost of Construction					
ITEM	DESCRIPTION	QTY.	UNIT	UNIT PRICE	TOTAL
1	8" C900 (in place, inc. trenching, bedding, backfill, tracer wire)	3650	LF	\$55	\$200,750
2	Standard Hydrant Assembly (complete w/6" Line from main)	4	EA	\$7,500	\$30,000
3	Flush Hydrant Assembly (complete from main)	2	EA	\$3,000	\$6,000
4	2" HDPE (200 psi) service line	900	LF	\$27	\$24,300
5	1.5" PEX service line	600	LF	\$25	\$15,000
6	Residential Meter Assembly (complete from main w/100 lf of 3/4" copper)	16	EA	\$1,800	\$28,800
7	8" End Caps	3	EA	\$250	\$750
8	System Disinfection	1	LS	\$2,600	\$2,600
9	DI Cross Fitting (incl. Megalugs, pipe)	1	EA	\$1,800	\$1,800
10	8" DI Bend Fitting (incl. Megalugs, pipe adjustment, & thrust blocks)	4	EA	\$1,000	\$4,000
11	8" DI Gate Valve (incl. riser, box, collar)	4	EA	\$2,300	\$9,200
12	CL 6 ABC (road base replacement to 6" compact)	325	CY	\$45	\$14,625
13	Export & Disposal (excess earthen material @ bedding)	510	CY	\$12	\$6,120
14	Minor re-Grading and Erosion Control w/reseeding and mulching	1	LS	\$3,000	\$3,000
15	Traffic Control	1	LS	\$1,000	\$1,000
16	Mobilization	1	LS	\$9,000	\$9,000
17	Construction Surveying Staking	1	LS	\$3,600	\$3,600
18	Bonding & Insurance	1	LS	\$7,885	\$7,885

19	Material / Geotechnical Testing	1	LS	\$3,000	\$3,000
Subtotal					\$371,430
10% Construction Contingency					\$37,143
Construction Total*					\$408,573
* Construction cost estimate prepared by Goff Engineering & Surveying, Inc. - June 10, 2013					
Construction Management & Inspection - In-Kind Contribution - La Plata County					
ITEM	DESCRIPTION	QTY.	UNIT	UNIT PRICE	TOTAL
1	Construction Man. - Dir. Of Public Works	24	HR	\$62	\$1,476
2	Construction Man. - Project Engineer	40	HR	\$50	\$1,994
3	Construction Insp. - Dir. Of Public Works	16	HR	\$62	\$984
4	Construction Insp. - Project Engineer	40	HR	\$50	\$1,994
5	Construction Insp. - Engineering Inspector	260	HR	\$36	\$9,360
Construction Management & Inspection Total					\$15,809

Miscellaneous					
	City of Durango Plant Investment Fee Single Unit Dwelling - Fee assumes 3/4" meter	17	EA	\$5,582	\$94,894
	Bond counsel opinion and related legal fees				\$20,000
	Environmental Assessment				\$3,000

Total Project Cost	\$547,276
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Schedule:

Task	Start Date	Finish Date
Task 1	Upon Notice to Proceed (NTP) - estimated to be by Aug. 30, 2014	NTP + 60 days

**Application of
La Plata County Palo Verde Public Improvement District #3
to the
Southwest Basin Roundtable**

Eligibility Criteria

Proposed Project: La Plata County Palo Verde Public Improvement District #3 Water Delivery Project

Grant Applicant: La Plata County Palo Verde Public Improvement District #3 (the District)

1. What benefit(s) does the project provide? Are there multiple purposes?

Over the past few years the residents of the Palo Verde subdivision have been experiencing declining production in their domestic water wells, and some wells have become tenuous and unreliable. All 17 lots in the subdivision are served by individual wells, and assuring the availability of a reliable, quality water supply is a major concern and objective of the residents in the Palo Verde subdivision. The property owners considered their options individually and collectively and determined that tying into the City of Durango's domestic water system would be the most desirable alternative to address their concerns about the viability of their individual domestic water wells. They further concluded that the formation of a public improvement district was the most efficient and cost effective way to undertake and finance the project. The project will provide infrastructure necessary for the residents of the Palo Verde subdivision in La Plata County, Colorado, to connect to the City of Durango municipal water system and provide a reliable and high quality source of drinking water to the approximately 50 residents of the subdivision.

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?

The engineering work and construction drawings for the project have already been completed. The District will need to obtain a location and extent permit from La Plata County. We are also awaiting final approval from the city on the engineering designs that have been prepared by Goff Engineering. In addition to this grant application, we will be submitting a loan application to the Drinking Water Revolving Loan Fund (DWRLF) through the Colorado Water Resources and Power Development Authority. Once the grant and loan documentation has been completed, the project will be ready for implementation. The timetable for the project construction is as follows:

<u>TASK</u>	<u>COMPLETION DATE</u>
Advertisement for bids	June 2014
Award Contracts	August 2014
Start Construction	August 2014
Complete Construction	October 2014

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?

The total project cost is estimated to be \$547,276, and a combination of funding sources will be used. (See question 4 below.) The only study remaining to be finalized is an environmental assessment, which is a requirement of the DWRLF loan. The environmental assessment is substantially completed and therefore we do not anticipate that it will delay the completion of the project.

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?

The residents of the District have chosen to tax themselves in order to complete this project. In fact, on November 5, 2013, the residents of the District approved the formation of the District, approved an ad valorem tax, and authorized indebtedness to be incurred. Therefore, the residents will be funding approximately 87 percent of the total project cost.

As noted above, the total project cost is estimated to be \$547,276. The District has been awarded a \$50,000 grant from the Southwestern Water Conservation District to couple with the \$25,000 grant requested from the Southwest Basin Roundtable from the Basin Fund. The District intends to apply to the DWRLF for loan to fund the balance of the construction cost. The grant from the Basin Fund represents approximately 4 percent of the project cost, and the Southwest Water Conservation District grant represents less than 9 percent of the project cost.

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).

The residents of the Palo Verde subdivision have shown extraordinary initiative in advancing this project by self-funding the engineering work completed by Goff Engineering and establishing the District. And as noted above, the residents of the District have approved a property tax increase and authorized indebtedness to fund the project. Also, as mentioned in item 4 above, local funding in the amount of \$50,000 has been secured from the Southwestern Water Conservation District. Ultimately, any grants secured will help to make the project more affordable for the residents who will benefit from it. Additionally, La Plata County has provided a considerable amount of in-kind assistance (valued at well over \$5,000 to date) and intends to provide in-kind inspection services and project management services during project construction.

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.

The existing source of water is individual wells, some of which have become tenuous and unreliable, prompting the necessity of the project. The purpose of the project is to construct the infrastructure necessary to connect to the City of Durango's municipal water system. The City of Durango has agreed to provide water for the project and has ample water rights to do so. There are no water rights conflicts involved in the source of water for the project.

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?

There is a high degree of local support for the project. In fact, the vote to approve the formation of the District, increase property taxes and authorize indebtedness was approved by 87% of the voters in the District.

8. Is there opposition to the project? If there is opposition, how have those concerns been addressed?

One resident has requested to be excluded from the District, and her petition was approved by the Board of the District on December 10, 2013.

9. How does the project affect the protection and conservation of the natural environment, including the protection of open space?

The project affects the protection and conservation of the natural environment to the extent that it eliminates the reliance on groundwater and individual water wells for residential use within the District. The City of Durango, which will be supplying water to the District, strongly promotes and encourages water conservation and the efficient use of water.

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.

The project does not impact non-decreed values of a stream or river.

11. How does the project relate to **local** land use plans? If conflicts exist, how will these be addressed?

There is no conflict with local land use plans. The subdivision which the project will serve already exists and the area to be served is residential.

12. Identify any intrabasin conflicts and how they will be addressed.

No intrabasin conflicts exist.

13. Identify any interbasin impacts and how any conflicts would be addressed.

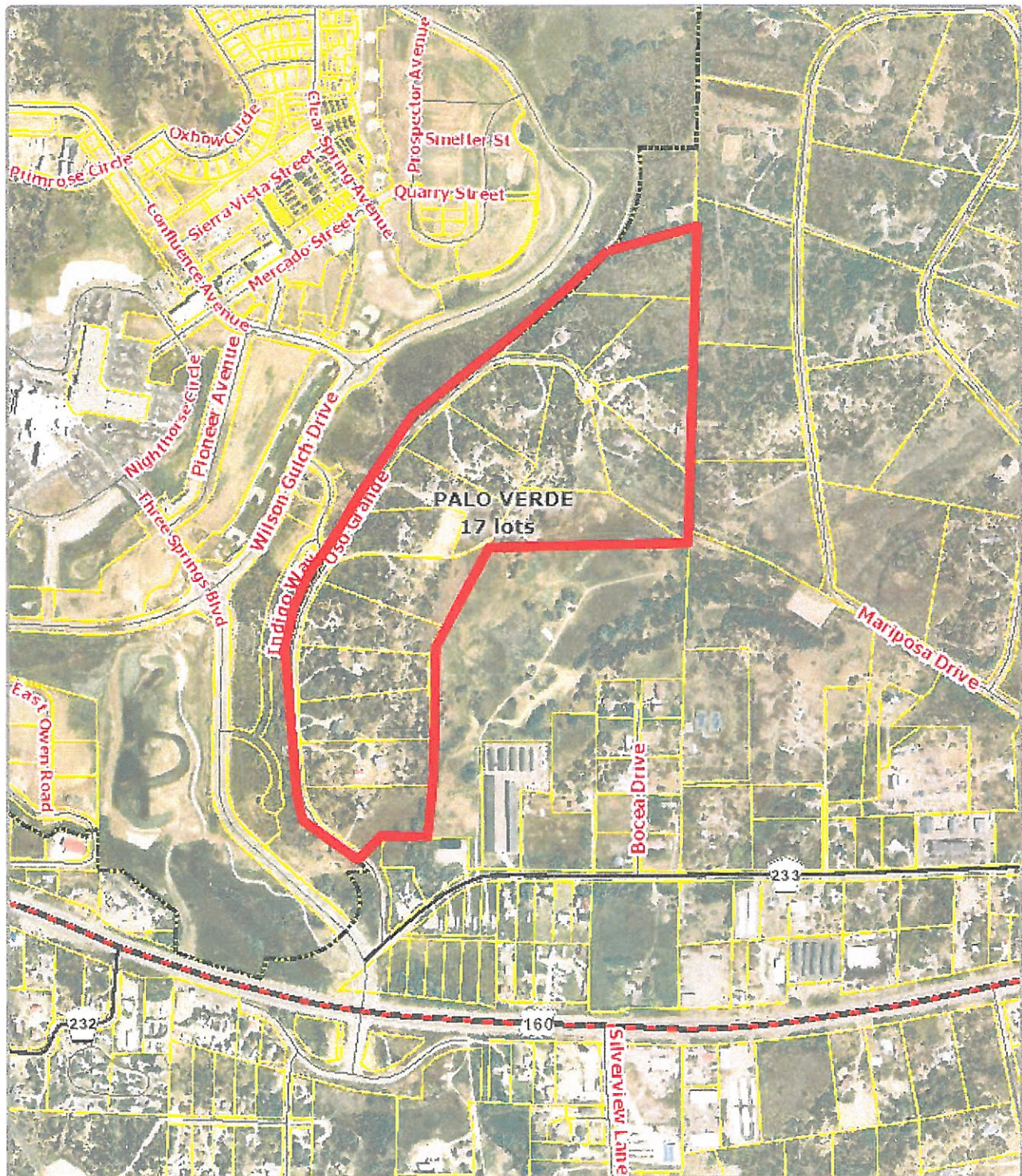
No interbasin conflicts exist.

14. How does the project support agricultural development or protect the existing agricultural economy?

The project does not support agricultural development or protect existing agricultural economy.

Exhibit D

La Plata County, CO



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Map Scale
1 inch = 800 feet
12/3/2013