



WATER SUPPLY RESERVE ACCOUNT
 APPLICATION FORM

Lone Cabin dam repair and rehabilitation

Name of Water Activity/Project

Lone Cabin Ditch and Reservoir Company

Name of Applicant

Gunnison Basin
 Roundtable

Amount from Statewide Account:

\$46,000

Amount from Basin Account(s):

\$121,150

Total WSRA Funds Requested:

\$167,150

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)

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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):	Lone Cabin Ditch and Reservoir Company		
	Mailing address:	42384 Lamborn Mesa Road Paonia, CO 81428		
	Taxpayer ID#:	846038286		
	Primary Contact:	James R. (Jim) Briscoe	Position/Title:	President
	Email:	hotchlaw@aol.com		
	Phone Numbers:	Cell: 970-216-9556	Office:	970-872-3118
	Alternate Contact:	Judy Briscoe	Position/Title:	Secretary/Treasurer
	Email:	jbriscoe@tds.net		
	Phone Numbers:	Cell:	Office:	970-527-4431

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

Lone Cabin Ditch and Reservoir Company was established as a non-profit mutual ditch company in 1935 and is in good standing with the Colorado Secretary of State. It is a stock company with 18 stockholders who own varying amounts of stock and varying sized agricultural parcels of real estate. The water stored in or passing through the reservoir provides irrigation water for approximately 1000 acres of agricultural properties, including about 500 acres owned by shareholders of the Lone Cabin Ditch and Reservoir Company, with the other 500 acres, more or less, being contiguous properties that benefit from irrigation of the properties of the shareholders.

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

Not Applicable.

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.

Lone Cabin Ditch and Reservoir Company is not subject to the limitations of the Tax Payer Bill of Rights.

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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.

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)

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

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

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3. 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.

WSRA funds would be used to pay for geotechnical investigation of existing structural conditions of the dam, soil testing, monitoring of water sources and content within the dam, technical assistance with preparation of a feasibility study, design of repair and rehabilitation activities and construction of the project as designed, including related costs for engineering oversight, inspection, materials and construction activities necessary to finalize and complete the project. Buckhorn Geotech, an engineering firm in Montrose, Colorado, estimates the project will cost ~~\$96,900~~ for engineering and technical assistance and ~~\$284,437.50~~ construction costs.

Lone Cabin Ditch and Reservoir Company owns water decrees for diversion of approximately 20 c.f.s. of irrigation water from the Middle Fork and Lake Fork of Minnesota Creek, tributary to the North Fork of the Gunnison River and the Colorado River, located in Gunnison County and Delta County, with storage decrees for 90 acre feet and 235.9 acre feet in the Lone Cabin reservoir located in Delta County, Colorado. Water from Lake Fork Creek is diverted until around July 1st and from Middle Fork Creek until around August 15th, depending on availability and priorities, filling the reservoir and passing water through the reservoir for irrigating the agricultural parcels of the shareholders. The water stored in the reservoir is then diverted, around August 15th of each year, with delivery for irrigation usually ending between the 1st and the 15th of September of each year.

A slump or slide in the dam of the reservoir was discovered in August, 2011, and the State Engineer's Office placed a storage restriction on the Lone Cabin reservoir at 20 feet below the crest of the dam. Buckhorn Geotech, a drilling company, soils testing and minor construction work were hired, at the approximate expense of \$47,090 to perform testing, evaluation of the conditions existing at the dam and to provide a geotechnical engineering study for Lone Cabin Ditch and Reservoir Company to decide how the slump would be repaired. Based on that study it was decided the repairs should be accomplished by removal of the area that slid and replace that area of the dam with appropriate compacted materials. Buckhorn Geotech prepared a conceptual design and engineer's estimate for slump repair that is the basis for this request of Lone Cabin Ditch and Reservoir Company for grant funds to assist with the cost of the project to accomplish the selected repair. Such repair estimate includes an additional \$46,000 for engineering services for the final design phase, through completion of the project, and up to \$270,687.50 for the costs to complete the repairs construction.

Lone Cabin Ditch and Reservoir Company owns a 3/16th interest in the Beaver Reservoir Company, with

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a large loan from the CWCB, on which Lone Cabin pays \$12,507 annually, for 30 years. Lone Cabin has an existing loan with CWCB with a current balance of approximately \$61,000 that requires a \$4094.48 annual payment. The annual assessment for 2012 was set at \$3.25 per share to generate approximately \$27,000 annually for the loan payments and operating expenses of Lone Cabin Ditch and Reservoir Company. If a loan had to be acquired to pay the total cost of the project, it is estimated that the assessment would likely double to generate sufficient funds to pay the annual loan payment for that size of loan. In that event, the cost of irrigation water from Lone Cabin Ditch and Reservoir Company would become so expensive that using it for growing certain agricultural products would become economically questionable.

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Part C. – 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 Repair of the dam of the reservoir of Lone Cabin Ditch and Reservoir Company will result in the removal of the storage restriction that the State Engineer's Office has imposed, allowing the Company to again store sufficient water in the reservoir to provide irrigation water to its users through approximately August of each year. This past year the Company was unable to deliver irrigation water beyond late June, partly because of the drought situation but exacerbated by the storage limitation that precluded storing enough water to last more than one week. The year 2013 is not looking to be much better for precipitation and the storage capability becomes even more critical. The irrigation water from Lone Cabin Ditch and Reservoir Company is the only substantial source of water for irrigating approximately 500 acres of agricultural real property located at the upper half of Lamborn Mesa, Southeast of the Town of Paonia, County of Delta, State of Colorado. Without that source of irrigation water the acreages now irrigated with such water could become dry land acreages and more prone to sprawl and minor subdivisions, causing further harm to the agricultural community in Colorado.

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.
- 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)

Lone Cabin Ditch and Reservoir Company has expended or incurred the following amounts to investigate the cause of the slump or slide in the dam, prepare a feasibility report and prepare the plans and specifications for the repair, which have been submitted to the State Engineer's Office for approval:

September 2011	JN Engineering	\$ 756.30
October 2011	By-Pass Ditch	1,574.56
October 2011	Scott Drilling (test holes)	3,349.43
October 2011	Buckhorn Geotech	979.80
March 2012	Advanced Terra Testing	4,349.00
August 2012	Buckhorn Geotech	23,380.77
December 2012	Buckhorn Geotech	2,800.00

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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December 2012	Buckhorn Geotech	3,931.25
August 2013	Buckhorn Geotech	21,878.00
	Total	\$70,947.37

Gunnison Basin Roundtable has approved \$38,000 and the State Fund has approved \$46,000 in grant funds.

The Colorado Water Conservation Board, at its September, 2013, meeting approved a loan for Lone Cabin Ditch and Reservoir Company for \$250,300 with interest at 1.75% payable over 30 years. Such loan amount was determined as being 75% of the total project costs of \$334,300 submitted in the application. That figure for total project costs did not include the additional \$21,878.00 incurred in August 2013 for engineering expenses to revise the project plans to satisfy the requirements of the State Engineer's Office to gain approval of the project.

Lone Cabin Ditch and Reservoir Company already is required to make loan payments exceeding \$14,000 per year towards loans from the Colorado Water Conservation Board, one made directly to the Company and one made to Beaver Reservoir Company, of which the Lone Cabin Ditch and Reservoir Company is a 3/16ths owner. The new loan for \$250,300 from the Colorado Water Conservation Board would require the Lone Cabin Ditch and Reservoir Company to pay an additional loan payment exceeding \$10,000 per year, bringing the Company's total loan payment obligations to over \$24,000 per year. Currently, the annual budget is approximately \$27,000 per year and is paid by stockholder assessments of \$3.00 to \$3.25 per share. The new loan would require the assessments to increase to approximately \$4.45 per share, raising the cost to the stockholders of the Lone Cabin Ditch and Reservoir Company for irrigation water by more than one-third (1/3).

Lone Cabin Ditch and Reservoir Company is requesting an additional grant from the Gunnison Basin Roundtable for \$83,150 to bring the total grant from the Roundtable to \$121,150 and, with the \$46,000 grant from the State Fund, the total WSRA grant to \$167,150 and equal to 50% of the total estimated project costs set forth in the application considered by the Colorado Water Conservation Board at its September 2013 meeting. Lone Cabin Ditch and Reservoir Company has not included the \$21,878.00 engineering expenses incurred in August 2013 because such costs were not included or considered when the Colorado Water Conservation Board made its decision in September 2013. If those costs were considered as part of the request for additional grant funding from the Gunnison Basin Roundtable, the grant would need to increase by 50% of those engineering expenses.

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2. For Applications that include a request for funds from the Statewide Account, describe how the water activity meets the **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

Tier 1: The water activity is a repair project that will help implement projects and processes that will help meet Colorado's future water needs, ie. irrigation of agricultural properties that have, are and will maintain the agrarian nature of rural Colorado, particularly on Lamborn Mesa, Delta County, Colorado.

Tier 2: Funding from the WSRA account will reduce the uncertainty that the needed repair project will be implemented. Receiving the requested grant will make the cost of the project more affordable to the shareholders of Lone Cabin Ditch and Reservoir Company, which is currently making annual payments of \$16,601 on existing loans, by reducing the amount of additional debt the Lone Cabin will need to incur to complete the repair project. An application for a loan for CWCB has been or will be filed and pursued for the additional funds necessary to successfully complete the project as described in the conceptual design and engineer's estimate for slump repair prepared by Buckhorn Geotech.

Tier 3: The water activity helps sustain agriculture and open space. The water activity involves decreed water tributary to the Colorado River. The water activity is complimentary to and assists in the implementation of the CWCB loans that exist to Lone Cabin Ditch and Reservoir Company and the Beaver Reservoir Company, of which Lone Cabin is part owner.

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.

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

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.

Part D. – 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 the name/location of water bodies affected by the water activity.

ID Number	Administration Number	Adjudication Date	Decreed Amount
1012	21263.13284.0	06/23/1914	15 cfs
1012	21263.20371.0	06/23/1914	10 cfs

Plus 3/16ths interest in decrees of Beaver Reservoir Company:

2389	29260.21275	05/28/1937	1.5 cfs
2389	29260.2175	05/28/1937	1.5 cfs
2389	29260.2175	05/28/1937	7.5 cfs

Storage decrees for the reservoir of Lone Cabin Ditch and Reservoir Company:

996	21263.20371 0	06/23/1914	90.0 A Ft
1837	29260.23550 0	05/28/1937	235.9 A Ft

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

There are no other related or relevant previous studies, as far as the representatives of Lone Cabin Ditch and Reservoir Company are aware.

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.

Please provide a detailed statement of work using the following template. Additional sections or modifications may be included as necessary. Please define all acronyms. If a grant is awarded an independent statement of work document will be required with correct 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.

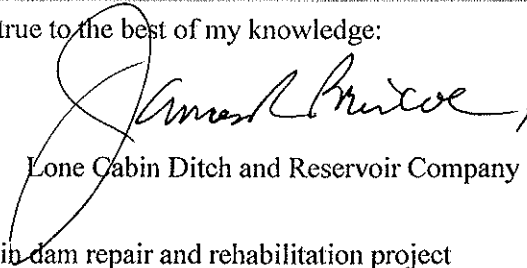
PAYMENT

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.

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

Signature of Applicant:

 **President**

Print Applicant's Name: Lone Cabin Ditch and Reservoir Company

Project Title: Lone Cabin dam repair and rehabilitation 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