

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

**Applicant:** Grand County Water & Sanitary District #1

**Water Activity Name:** Reservoir 2 Enlargement and Lining Project

**Water Activity Purpose:** Consumptive & Non-consumptive

**County:** Grand

**River Basin:** Colorado

**Water Source:** Fraser River

**Amount Requested:** \$664,960 (Statewide Account), and \$41,620 (Colorado Basin Account)

**Matching Funds:** \$126,200 (15%) cash match by Grand County Water & Sanitation District #1

<b>Staff Recommendation:</b>
Staff recommends approval of up to \$165,000 from the Statewide Account and \$41,620 from the Colorado Basin Account to fund the: Grand County Water & Sanitary District #1 - Reservoir 2 Enlargement and Lining Project.

**Water Activity Summary:** The project is for enlarging and lining Reservoir 2, which is a Grand County Water & Sanitation District #1 (Grand County WSD1) augmentation reservoir. By lining and enlarging the reservoir, the District will gain new storage (25-30 acre feet), reduce seepage losses (20 acre feet per 6-month period), and will improve operations. The enlargement will give the Grand County WSD1 the ability to store augmentation water allocated for fulfilling more senior water rights obligations during times of low water and/or drought. Additional advantages include water for fishing, and aesthetic considerations. This reservoir is a vital component of the overall Grand County WSD1 water system.

*Threshold and Evaluation Criteria*

The application meets all four Threshold Criteria.

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. While the District is not a signatory to the Colorado River Cooperative Agreement (CRCA), it is a beneficiary, and as such this project provides storage that can satisfy the need for Replacement Water to Denver and to replace depletions, thus providing benefits in the overall CRCA for the East Slope and the West Slope.
- b. Grand County WSD1 and other Fraser Valley entities have water rights under CRCA, and other associated agreements. Entities supporting this activity include: Middle Park Water Conservancy District, Winter Park Water and Sanitation, Grand County Board of Commissioners, Town of Granby, and the Town of Winter Park.
- c. Grand County WSD1 has worked extensively to improve its water diversion, treatment, and distribution system to optimize the use of its water and water rights, and in order to meet its obligations it is continuing to reduce the amounts of leakage from its water distribution system.

This has the net effect of leaving more water within the natural hydrological basin which benefits downstream entities and helps to fill the gap between current and future supplies and needs.

Tier 2: Facilitating Water Activity Implementation:

- d. Grand County WSD1 has regularly increased fees to provide for upgrades to aging infrastructure, optimizing treatment and conveyance operations, auditing water system operations, and metering to lower water waste. It has also incurred debt obligations for the construction of finished water storage, water treatment upgrades, and waste water treatment. Because of costs of such projects, it has depleted its reserve funds despite the fee increases. As such these grant funds are extremely beneficial to Grand County WSD1 and supporting entities.
- e. Grand County WSD1's cash match contribution of \$126,200 represents approximately 15% of total project costs of \$832,780, while Grand County WSD1 has in addition expended between \$10,000 and \$15,000 on planning, preliminary engineering, and application phase of this project.

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

- f. The water activity provides for releases to the Fraser River when senior calls are made providing water during dryer conditions. Most of the senior water rights that will be satisfied with the use of this water for augmentation purposes are agricultural.
- g. n/a
- h. n/a
- i. n/a
- j. n/a

**Discussion:**

Subsequent to review, staff considers financing of total project costs (\$832,800) to be more consistent on a 75% CWCB Loan-Match/25% WSRA Grant combination, as opposed to the proposed 85% WSRA Grant/15% Match combination.

**Issues/Additional Needs:**

No additional issues or needs were identified.

**Staff Recommendation:**

Staff recommends approval of up to \$165,000 from the Statewide Account, and \$41,620 from the Colorado Basin Account for project titled: Grand County Water & Sanitary District #1 - Reservoir 2 Enlargement and Lining 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.