

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
November 19-20, 2014
Agenda Item 11(b)

Applicant & Program Sponsor: Town of Olathe, Colorado.

Water Activity Name: Town of Olathe Water Rights Assessment

Water Activity Purpose: Needs Assessment

County: Montrose

Drainage Basin: Gunnison

Water Source: Dry Creek, Moffit Spring and Citizen Reservoir

Total Amount Requested: \$15,000

Source of Funds: Gunnison Basin Account

Matching Funds: Applicant Match (\$6,500) = 30% of total study costs (\$21,500)
(refer to *Funding Summary/Matching Funds*)

Staff Recommendation
Staff recommends approval of up to \$15,000 from the Gunnison Basin Account to help fund the project titled: Town of Olathe Water Rights Assessment.

Water Activity Summary: WSRA funds will be expended to perform a study to evaluate options for the Town of Olathe to protect and improve its pre-Compact water rights from Dry Creek, Moffit Spring and the Citizens Reservoir. The Town of Olathe will partner with local, State and Federal entities with interest in water conservation to develop an alternative analysis for the continued beneficial use of the existing pre-Compact water rights. The proposed study would include evaluation of alternatives as described below. Because of the pre-Compact status of the water rights, leasing the water to users to augment water depletions caused by a water call or by banking water to prevent or mitigate compact curtailment may benefit the wider basin and the State of Colorado

M&I: The proposed project will evaluate the possibility of using the Town's existing water rights to supplement the Town's M&I water to protect against dry years and potential shortages through the Project 7 Water Authority.

Irrigation: The project will analyze the feasibility of leasing the water to local farmers for irrigation and stock watering to protect against dry years and potential shortages.

Compact Water Bank Pilot Program: The Colorado River Water Conservation District (River District), acting by and through its Colorado River Water Projects Enterprise, the Southwestern Water Conservation District (Southwestern District), the Nature Conservancy (TNC), and the Front Range Water Council (FRWC) are investigating the feasibility of a water bank that may prevent compact curtailment or allow the continued use of some post-Compact water rights in the case of Compact curtailment.

The Town of Olathe is interested in investigating the possibility of using its pre-Compact water rights in this pilot water bank program. This study will help identify potential constraints and issues that may arise in the implementation of a water bank.

Repairs and improvements to existing infrastructure: The project will also analyze infrastructure needs and improvements necessary to implement the proposed water uses.

Other: The proposed project will evaluate the feasibility of donating the water rights to improving riparian habitat or hydropower generation through increased in stream flows and other considerations.

Discussion:

No additional discussion is required.

Issues/Additional Needs:

No issues or additional needs have been identified.

Threshold and Evaluation Criteria:

The application meets all four Threshold Criteria

Tier 1-3 Evaluation Criteria:

n/a

Funding Summary/Matching Funds:

	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
WSRA Gunnison Basin Account	\$15,000	n/a	\$15,000
Riverside Ranch Company, LLLP	\$5,000	\$1,500	\$6,500
Total Project Costs	\$20,000	\$1,500	\$21,500

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: 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.

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.

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

October 9, 2014

Mr. Craig Godbout
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
Town of Olathe
Town of Olathe Water Rights Assessment

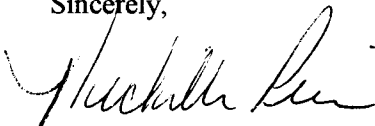
Dear Mr. Godbout:

This letter is presented to advise you that the grant application submitted by the Town of Olathe for \$15,000 from Basin Account funds from the Water Supply Reserve Account for the Town of Olathe Water Rights Assessment 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 October 6, 2014.

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 consumptive needs for the Gunnison Basin by optimizing existing water supplies and protecting pre-1922 water rights.

Sincerely,



Michelle Pierce
Chair

cc: Tom Alvey (e-mail)



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM (**REVISED**)

Today's Date: October 1, 2014

Town of Olathe Water Rights Assessment

Name of Water Activity/Project

Town of Olathe

Name of Applicant

Gunnison

Amount from Statewide Account:

Amount from Basin Account(s):

Total WSRA Funds Requested:

\$15,000

\$15,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN 84-6000703

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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:

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.

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

1.	Applicant Name(s):	Town of Olathe		
	Mailing address:	419 S. Horton Avenue Olathe, CO 81425		
	FEIN #:			
	Primary Contact:	Patty Gabriel	Position/Title:	Town Administrator
	Email:	pgabriel@olatheco.us		
	Phone Numbers:	Cell:	Office:	(970) 323-5601
	Alternate Contact:		Position/Title:	
	Email:			
	Phone Numbers:	Cell:	Office:	

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 Town of Olathe (Town) is a statutory municipality in Montrose County, Colorado (see Figure 1). The Town owns several water rights, including three (3) pre-1922 water rights. The Town is a participant in cooperative efforts to improve water delivery to rural municipalities in the Gunnison Basin.

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.

☒ 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.

The Town of Olathe will not be affected by any relevant TABOR issues.

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:

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

This project will evaluate multiple alternatives for future water use that will preserve and protect the Town's pre-Colorado River Compact of 1922 (Compact) water rights. The alternatives include Compact compliance through water banking, agricultural (leasing to local irrigators), M&I (supplementing the Town's current supply), and others (riparian habitat restoration and hydropower). This proposal is for an assessment to determine the best use or combination of uses for the water rights.

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:

Alternatives analysis will provide numbers for several of the above line-items.

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

Latitude:

38.398282

Longitude:

-108.107208

6. 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

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Statement of Work with a detailed budget and schedule is required as **Exhibit A** of this application.

Introduction: This proposal is for a study to evaluate options for the Town of Olathe to protect and improve its pre-Compact water rights from Dry Creek, Moffit Spring and the Citizens Reservoir. The Town of Olathe will partner with local, State and Federal entities with interest in water conservation to develop an alternatives analysis for the continued beneficial use of the existing pre-Compact water rights. The proposed study would include evaluation of alternatives as described below. Because of the pre-Compact status of the water rights, leasing the water to users to augment water depletions due to a water call or banking the water to prevent or mitigate Compact curtailment may be to the benefit of the wider basin and the State of Colorado.

M&I: The Project 7 Water Authority (Project 7) is a cooperative effort among seven water entities, including the Town of Olathe, to provide high quality potable water to the municipalities and rural areas of the Uncompahgre River Valley. The proposed project will evaluate the possibility of using the Town's existing water rights to supplement the Town's M&I water to protect against dry years and potential shortages through Project 7.

Irrigation: The project will analyze the feasibility of leasing the water to local farmers for irrigation and stock watering to protect against dry years and potential shortages.

Compact Water Bank Pilot Program: The Colorado River Water Conservation District (River District), acting by and through its Colorado River Water Projects Enterprise, the Southwestern Water Conservation District (Southwestern District), the Nature Conservancy (TNC), and the Front Range Water Council (FRWC) are investigating the feasibility of a water bank that may prevent compact curtailment or allow the continued use of some post-Compact water rights in the case of Compact curtailment.

The Town of Olathe is interested in investigating the possibility of using its pre-Compact water rights in this pilot water bank program. This study will help identify potential constraints and issues that may arise in the implementation of a water bank.

Repairs and improvements to existing infrastructure: The project will also analyze infrastructure needs and improvements necessary to implement the proposed water uses.

Other: The proposed project will evaluate the feasibility of donating the water rights to improving riparian habitat or hydropower generation through increased in stream flows and other considerations.

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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 meets the eligibility requirements outlined in Part 2 of the criteria and guidelines:

The water activity meets eligibility requirements:

The applicant is a municipality.

The proposed water activity is a "study or analysis of structural, nonstructural, consumptive, and non-consumptive water needs, projects, or activities." The project is an alternatives analysis of consumptive and non-consumptive water uses and structural improvements to existing infrastructure.

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

The proposed water activity "Town of Olathe Water Rights Assessment" is consistent with Section 37-75-105 CRS. The proposed project will not supersede, abrogate, or otherwise impair existing water rights.

- c) 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.

- d) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.² The Basin

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.

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

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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 Gunnison Basin has a diversity of identified consumptive and non-consumptive water needs outlined in their Water Supply and Needs Report. The Basin identified agricultural demands, the optimization of existing water supply and operational flexibility as priority objectives. There is concern about the impact of continued future growth alongside drought conditions dramatically reducing the water available for agricultural needs.

This project aims to enhance, protect, and continue the beneficial use of the Town of Olathe's water rights. The project will evaluate the feasibility of putting the Town's water rights towards agricultural, M&I, and environmental needs, and will include an analysis of the current delivery system. Proposed alternatives include irrigation, M&I supplementation, donation to environmental in stream uses or Compact Water Bank pilot program or some combination thereof. Part of the goal of this program is to allow for future flexibility to protect post-Compact water rights users from Compact curtailment and future drought conditions.

- e) 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)

Funding Entity	Amount	Percent of Total
Town of Olathe	\$ 6,500	30%
Basin Account	\$15,000	70%
Statewide Account	\$0	0%

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).

This project will evaluate alternatives for future use to preserve and protect the Town's pre-Compact water rights. Several proposed alternatives, such as inclusion in a Compact water bank pilot program, agricultural, and environmental uses, will be potentially beneficial to multiple interests across the Gunnison Basin. The proposed water activity is an assessment to determine the most beneficial future use, or combination of uses, for the water rights. Because of the pre-Compact status of the water rights, leasing the water to users to augment water depletions due to a water call or banking the water to prevent or mitigate Compact curtailment, may be to the benefit of the wider basin and the State of Colorado.

- 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.

There are several local and state entities representing a broad range of water interests, including the River District, The Nature Conservancy and the Colorado Water Conservation Board, that commonly collaborate on projects such as this one in support of the development and preservation of pre-Compact water rights.

- 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.

Colorado has identified future water needs that include continued supply for agricultural needs, development of additional supply to keep up with growth, optimizing existing water supply, and continued

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compact compliance. The proposed activity will evaluate alternatives that align with each of these identified future needs.

The project revolves around pre-Compact water rights, and will include alternatives for inclusion in a Compact water bank, supplementing M&I water for future growth and shortages, augmenting local irrigation, and potential supplementation of in stream flows.

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).

The Town of Olathe is a small municipality without a large operating budget. While the Town is committed to improving and protecting its water right portfolio, budget constraints limit the Town's ability to determine and implement an optimized solution. Funding from the Statewide Account will allow the project to move ahead, focusing limited resources on project implementation.

- 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. The Town of Olathe will provide \$6,500 (30%) of the total cost of the project via cash and in-kind contributions.

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. The project will evaluate options to sustain agriculture, with leasing options to local farmers, and to enhance stream habitat with potential inclusion in the Colorado ISF program.

- 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.

Given the pre-Compact status of the water rights included in the project, the proposed water activity will assist in the administration of Compact impacted waters and may assist in addressing future issues arising from Compact compliance by providing an interruptible supply of pre-Compact water to local irrigators or through the implementation of a Compact water bank pilot program.

- 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.

The proposed project is a study to evaluate the options for the Town of Olathe to protect and enhance several pre-Compact water rights. One such option is to form a Compact water bank pilot program. This

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study will analyze the feasibility of a small scale water bank program and will identify potential constraints and issues that may arise in the implementation of a water banking program; these identified constraints will be useful to the development of a statewide Compact water bank program. In addition, this study will ensure that valuable pre-Compact water rights are put to the best beneficial use for the Town of Olathe, the Gunnison Basin, and the State of Colorado.

j. The water activity is complimentary to or assists in the implementation of other CWCB programs. The project will evaluate several options that are complimentary to existing CWCB programs, including environmental and water quality protections, infrastructure improvements, and augmentation of agricultural water supply.

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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.

There are three pre-Compact water rights that will be included in the analysis.

Water Right	Appropriation Date	Decree Date	Amount	Decreed Uses
Pipeline from the West Fork of Dry Creek	1911	1916	1.3 cfs	Power, irrigation, domestic and other purposes incident to the uses of the inhabitants of the Town
Moffit Spring Pipe Line	1912	1925	0.3 cfs	Domestic, Commercial, and Irrigation
Citizen's Reservoir (Olathe Reservoir No. 2)	1912	1925	118 AF	Storage

These water rights are associated with a parcel of property situated off of Rim Road, west of Montrose and southwest of the Town of Olathe (Figure 1). The Property was conveyed to the Town by an Act of Congress in 1919 which contained a reverter clause that required the property to be used for the purpose of the protection of the reservoirs, water supply pipelines and waterworks of the Town. In 1984, through Public Law 98-400, U.S. Congress amended the original 1919 Act and removed the reverter provision. Since the completion of Project 7, the Town no longer uses these water rights for municipal purposes. Historically, the land and the water have been used for grazing and livestock operations.

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

N/A

3. Statement of Work, Detailed Budget, and Project Schedule\
See Exhibit A and Tables 1 and 2

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

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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: Patty Gabriel

Project Title: Town of Olathe Water Rights Assessment

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

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Exhibit A: Statement of Work

Project: Town of Olathe Water Rights Assessment

Grant Recipient: Town of Olathe

Background

The Town of Olathe owns several pre-Compact water rights that are not fully utilized due to the Town's involvement in Project 7.

The proposed project is a study to evaluate the options for the Town of Olathe to protect and enhance these water rights. The study will include the evaluation of alternative options and conceptual cost estimates for the proposed alternatives. Alternatives that will be explored include: 1) inclusion in a Colorado River Water Conservation District Compact bank program, 2) leasing to local farmers for irrigation and stock watering, 3) supplementing current Town municipal and domestic uses, 4) in stream environmental uses, and others.

Objective

To preserve and enhance existing pre-Compact and related water rights

Scope of Work

Task 1

Description: Collect background information and conduct a site visit to assess existing facilities and current functionality. Includes review of historical use diversion records and decrees, testimony and dam safety inspections.

Method and Deliverable: Compile existing water use information; tour the project site with the engineers to identify site specific issues including the concerns and interests of adjacent landowners and other stakeholders.

Estimated Cost: \$2,500

Task 2

Description: Develop water right use alternatives, including, but not limited to, initial quantification of water rights, use within the Town of Olathe, leasing to nearby irrigators, and Compact compliance water banking.

Method and Deliverable: Review and synthesize information collected in Task 1; develop a clear set of water interest priorities and proposed alternatives for water use.

Estimated Cost: \$5,000

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Task 3

Description: Analyze the hydrology of Dry Creek to estimate water availability and calculate the water yield of the Town's water rights.

Method and Deliverable: A preliminary hydrology analysis will be conducted. Includes reviewing hydrology and calculating physical water available to the water rights in average and dry years.

Estimated Cost: \$3,000

Task 4

Description: Develop conceptual cost opinions for each alternative identified in Task 2. Includes developing conceptual costs for rehabilitation of the structures identified in the use alternatives. May include development of conceptual costs for diversion structures, dams and pipelines.

Method and Deliverable: Create matrix of alternative cost estimates based on engineering expertise, past studies and industry standards.

Estimated Cost: \$5,000

Task 5

Description: Coordinate and discuss results of Task 3 and Task 4 analysis with local landowners, the Town of Olathe, the Colorado River Water Conservation District, the Uncompahgre Valley Water Users Association and Tri-County.

Method and Deliverable: Hold a meeting with stakeholders; compile feedback and recommendations.

Estimated Cost: \$1,900

Task 6

Description: Prepare preliminary report and provide an alternatives recommendation.

Method and Deliverable: Preparation of findings report with recommendation for future water uses. Includes preparation of six month progress report and final report.

Estimated Cost: \$4,100

Total estimated project cost: \$21,500

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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.

Table 1 Revised October 1, 2014
Budget for Town of Olathe Water Rights Assessment Project
Town of Olathe WSRA Grant Application

Description of Services	Project Cost			Funding Source		
	WWE Labor and Expenses	Other Costs	Total Budgeted	Town of Olathe Cash Match	Town of Olathe In-Kind Match	Requested Grant Funding
Task 1 – Site Visit & Background: includes review of diversion records, and decrees, testimony and dam safety inspections.	\$ 2,250	\$ 250	\$ 2,500		\$ 500	\$ 2,000
Task 2 – Use Alternatives: Includes initial quantification of water rights and development of use alternatives.	\$ 5,000		\$ 5,000	\$ 1,800		\$ 3,200
Task 3 – Hydrology: Includes reviewing hydrology and calculating physical water available to the water rights in average and dry years.	\$ 3,000		\$ 3,000	\$ 600		\$ 2,400
Task 4 – Conceptual Costs: Developing conceptual costs for rehabilitation of the structures identified in the use alternatives. May included development of conceptual cost for diversion structures, dams and pipelines.	\$ 5,000		\$ 5,000	\$ 500		\$ 4,500
Task 5 – Coordination & Meetings: Includes meeting with local land owners, UVWUA, River District and CWCB.	\$ 1,500	\$ 400	\$ 1,900	\$ 400	\$ 1,000	\$ 500
Task 6 – Six Month Progress Report & Final Report Preparation	\$ 4,000	\$ 100	\$ 4,100	\$ 1,700		\$ 2,400
Total	\$ 20,750	\$ 750	\$ 21,500	\$ 5,000	\$ 1,500	\$ 15,000

Notes:

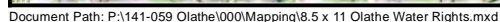
Reporting	The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the statement of work including a description of any major issues that 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.

Table 2
Schedule for Town of Olathe Water Rights Assessment Project
Town of Olathe WSRA Grant Application

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Task 1 – Site Visit & Background												
Task 2 – Use Alternatives												
Task 3 – Hydrology												
Task 4 – Conceptual Costs												
Task 5 – Coordinate												
Task 6 – Preliminary Report												

Notes:

Provide a project schedule including key milestones for each task and the completion dates or time period from the Notice to Proceed (NTP). This dating method allows flexibility in the event of potential delays from the procurement process.



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Appendix 1

Reference Information

The following information is available via the internet. The reference information provides additional detail and background information.

- Water Supply Reserve Account main webpage:
 - <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Pages/main.aspx>
- Water Supply Reserve Account – Basin Fund Application Details:
 - <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Pages/BasinWaterSupplyReserveAccountGrants.aspx>
- Water Supply Reserve Account – Statewide Fund Application Details:
 - <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Pages/StatewideWaterSupplyReserveAccountGrants.aspx>
- Colorado Water Conservation Board main website:
 - <http://cwcb.state.co.us/>
- Interbasin Compact Committee and Basin Roundtables:
 - <http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/main.aspx/Templates/BasinHome.aspx>
- House Bill 05-1177 – (Also known as the Water for the 21st Century Act):
 - <http://cwcbweblink.state.co.us/DocView.aspx?id=105662&searchhandle=28318>
- House Bill 06-1400 – (Adopted the Interbasin Compact Committee Charter):
 - <http://cwcbweblink.state.co.us/DocView.aspx?id=21291&searchhandle=12911>
- Senate Bill 06-179 – (Created the Water Supply Reserve Account):
 - <http://cwcbweblink.state.co.us/DocView.aspx?id=21379&searchhandle=12911>
- Statewide Water Supply Initiative 2010:
 - <http://cwcb.state.co.us/water-management/water-supply-planning/Pages/SWSI2010.aspx>

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Appendix 2

Insurance Requirements

NOTE: The following 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 is necessary prior to the execution of a contract.

13. INSURANCE

Grantee and its Sub-grantees shall obtain and maintain insurance as specified in this section at all times during the term of this Grant: All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to Grantee and the State.

A. Grantee

i. Public Entities

If Grantee is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended (the "GIA"), then Grantee shall maintain at all times during the term of this Grant such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. Grantee shall show proof of such insurance satisfactory to the State, if requested by the State. Grantee shall require each Grant with Sub-grantees that are public entities, providing Goods or Services hereunder, to include the insurance requirements necessary to meet Sub-grantee's liabilities under the GIA.

ii. Non-Public Entities

If Grantee is not a "public entity" within the meaning of the GIA, Grantee shall obtain and maintain during the term of this Grant insurance coverage and policies meeting the same requirements set forth in §13(B) with respect to sub-Grantees that are not "public entities".

B. Sub-Grantees

Grantee shall require each Grant with Sub-grantees, other than those that are public entities, providing Goods or Services in connection with this Grant, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of Grantee and Sub-grantee employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent Grantees, products and completed operations, blanket Grantual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$1,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire. If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, Sub-grantee shall immediately obtain additional insurance to restore the full aggregate limit and furnish to

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Grantee a certificate or other document satisfactory to Grantee showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Additional Insured

Grantee and the State shall be named as additional insured on the Commercial General Liability and Automobile Liability Insurance policies (leases and construction Grants require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).

v. Primacy of Coverage

Coverage required of Grantee and Sub-grantees shall be primary over any insurance or self-insurance program carried by Grantee or the State.

vi. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 45 days prior notice to the Grantee and the State by certified mail.

vii. Subrogation Waiver

All insurance policies in any way related to this Grant and secured and maintained by Grantee or its Sub-grantees as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against Grantee or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

C. Certificates

Grantee and all Sub-grantees shall provide certificates showing insurance coverage required hereunder to the State within seven business days of the Effective Date of this Grant. No later than 15 days prior to the expiration date of any such coverage, Grantee and each Sub-grantee shall deliver to the State or Grantee certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Grant or any sub-grant, Grantee and each Sub-grantee shall, within 10 days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this §13.

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Appendix 3

Water Supply Reserve Account Standard Contract Information

NOTE: The standard contract is required for WSRA projects that exceed \$100,000. (Projects under this amount will normally be funded through a purchase order process.) Applicants are encouraged to review the standard contract to understand the terms and conditions required by the State in the event a WSRA grant is awarded. Significant changes to the standard contract require approval of the State Controller's Office and often prolong the contracting process.

It should also be noted that grant funds to be used for the purchase of real property (e.g. water rights, land, conservation easements, etc.) will require additional review and approval. In such cases applicants should expect the grant contracting process to take approximately 3 to 6 months from the date of CWCB approval.

The standard contract is available here under the header "Additional Resources" on the right side:

<http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Pages/BasinWaterSupplyReserveAccountGrants.aspx>

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Appendix 4

W-9 Form

Request for Taxpayer Identification Number and Certification

NOTE: A completed W-9 form is required for all WSRA projects prior execution of a contract or purchase order. Please submit this form with the completed application.