

**Water Supply Reserve Account – Grant and Loan Program**  
**Water Activity Summary Sheet**  
**September 11-12, 2014**  
**Agenda Item 13(f)**

**Applicant & Program Sponsor:** West Reservoir and Ditch Company

**Water Activity Name:** West Reservoir No.1 Outlet Pipe Replacement

**Water Activity Purpose:** Agricultural

**County:** Delta

**Drainage Basin:** Gunnison

**Water Source:** Surface water from Grand Mesa

**Total Amount Requested:** \$225,658

**Source of Funds:** \$50,000 Gunnison Basin Account; \$175,658 Statewide Account

**Matching Funds:** Basin Account Match (\$50,000) = 22% of total grant request (\$225,658)  
Basin Account & Applicant Match (cash & in-kind: \$250,659) = 111% of total grant request (\$225,658)  
Applicant Match (cash: \$200,659) = 47.1% of total project costs (\$426,317)  
(refer to *Funding Summary/Matching Funds*)

<b>Staff Recommendation:</b>
Staff recommends conditional approval (contingent upon the applicant satisfying the concerns as identified in the <i>Issues/Additional Needs</i> section) of up to \$50,000 from the Gunnison Basin Account and \$175,658 from the Statewide Account to help fund the project titled: West Reservoir No.1 Outlet Pipe Replacement.

**Water Activity Summary:** WSRA funds will be expended to fund the replacement of the existing outlet pipe on West Reservoir No. 1. The existing outlet pipe, upon inspection by the State Engineer's Office (SEO) has undergone severe corrosion with many of the sections missing which has subsequently caused scouring of earth and stone beneath the missing sections of pipe. The SEO has issued a zero fill order for 2014 on West Reservoir No. 1. The project comprises three components: 1) safely emptying the reservoir (completed); 2) engineering and planning; and 3) construction of new outlet pipe.

**Discussion:**

The applicant originally requested \$75,000 from the Gunnison Basin Account; however the Gunnison Basin Roundtable approved up to \$50,000 from the Gunnison Basin Account.

**Issues/Additional Needs:**

The applicant has contacted CWCB's Finance Section to inquire about qualifying for and obtaining a loan for the remaining costs of the project not covered by the WSRA Grant funds and applicant's match.

**Threshold and Evaluation Criteria:**

The application meets all four Threshold Criteria

**Tier 1-3 Evaluation Criteria:**

Tier 1: (a) The replacement of the outlet pipe and resumption of reservoir operations will allow the reservoir owners and operators to: provide occasional emergency water for firefighting purposes; provide water for dust control; provide periodic storage of early run-off water for other water rights owners; and generate sub-surface return flows that provide irrigation water to other irrigators as documented in *Groundwater Systems in Delta County, Colorado: Oak Mesa Area – GIS-Based Hydrological and Environmental Systems Analysis and Formulation of Conceptual Site Models* prepared for Dealt County Board of County Commissioners, Colorado, authored by Integral Consulting Inc. dated August 31, 2012 (available upon request).

(b) not addressed (n/a)

(c) n/a

Tier 2: (d) The applicants states that: “Due to the limited resources of the three company shareholders, this application for Grant money is crucial to continuing with the dam outlet repair”.

(e) If the applicant obtains a CWCB Loan, the applicant’s contribution (cash and in-kind) represent 88.9% of total project costs.

Tier 3: (f) The replacement of the outlet pipe and resumption of reservoir operations will allow the reservoir owners and other irrigators to continue agricultural operations. Currently there are approximately 600 acres irrigated under the West Reservoir and Ditch Company.

(g) The stored water is pre-compact water dating to 1905.

(h) The reservoir provides habitat for a significant population of Northern Leopard frogs, a Colorado “state special concern” animal. Abandoning the reservoir would severely impact, if not eliminate that population. Preserving the reservoir will help protect this species, as documented in: NEPA Environmental and Bio-report and map prepared by John Monarch, (Monarch Associates, Cedaredge, co) as part of Oxbow' Corp's coal exploration efforts in 1/ 2012 and updated throughout 2013, filed with the BLM Montrose office, Desty Dyer BLM project specialist; NEPA Environmental and Bio-report and Map prepared by John Monarch, as part of Gunnison Energy's gas exploration efforts in 1/ 2002 and updated throughout 2008, filed with the BLM Montrose office; and Conservation Easement Environmental assessment prepared by Biologics Ltd in 2000 and kept on record with Black Canyon Regional Land Trust 1561 Oxbow Drive, Timberline Bank Bldg, Montrose, CO 970.240.2050

(i) n/a

(j) n/a

**Funding Summary/Matching Funds:**

	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
WSRA Gunnison Basin Account	\$50,000	n/a	\$50,000
WSRA Statewide Account	\$175,658	n/a	\$175,658
CWCB Loan (if obtained)	\$146,997	\$0	\$146,997
Applicant provided	<u>\$53,662</u>	<u>\$0</u>	<u>\$53,662</u>
<b>Total Project Costs</b>	<b>\$426,317</b>	<b>\$0</b>	<b>\$426,317</b>

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.