



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

West Reservoir No.1 Outlet Pipe Replacement

Name of Water Activity/Project

West Reservoir and Ditch Company

Name of Applicant

Gunnison Basin
Roundtable

Amount from Statewide Account:

\$175,658

Amount from Basin Account(s):

\$75,000

Total WSRA Funds Requested:

\$250,658

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

Application Content

Application Instructions	page 2
Part I – Description of the Applicant	page 3
Part II – Description of the Water Activity	page 5
Part III – Threshold and Evaluation Criteria	page 7
Part IV – Required Supporting Material	
Water Rights, Availability, and Sustainability	page 10
Related Studies	page 10
Signature Page	page 12

Required Exhibits

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

Appendices – Reference Material

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

Water Supply Reserve Account – Application Form

Revised December 2011

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.

Water Supply Reserve Account – Application Form

Revised December 2011

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

1.	Applicant Name(s):	West Reservoir and Ditch Company		
	Mailing address:	P.O. Box 25 Paonia, CO 81428		
	Taxpayer ID#:	80-0621293		
	Primary Contact:	Nick Hughes	Position/Title:	President
	Email:	nihughes@starband.net		
	Phone Numbers:	Cell: 970.201.1476	Office:	
	Alternate Contact:	Mitch Hart	Position/Title:	Vice President
	Email:	n/a		
	Phone Numbers:	Cell: 970.201.3347	Office:	

2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

<input type="checkbox"/>	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.
<input type="checkbox"/>	Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
<input checked="" type="checkbox"/>	Private Incorporated – mutual ditch companies, homeowners associations, corporations.
<input type="checkbox"/>	Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
<input type="checkbox"/>	Non-governmental organizations – broadly defined as any organization that is not part of the government.

Water Supply Reserve Account – Application Form

Revised December 2011

3. Provide a brief description of your organization

West Reservoir and Ditch Company is a non-profit mutual ditch company founded in 1908 for the purposes of the construction of West Reservoir No. 1 and the Wakefield Ditch. Those structures were designed to convey irrigation water from branches of Jay Creek, eastward across Oak Mesa for delivery to the Basin and Wakefield Mesa near Paonia.

The water is used as stock water as the ditch runs east across 1,100 acres of private land, then onto 600 acres of BLM grazing lease. From there it is used to irrigate three ranches' hay fields and pastures. Tail or waste water return flows enter Roatcap Creek, augmenting irrigation water for the Overland Ditch, and the Fire Mountain Canal.

The organization comprises three shareholders.

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.

<input checked="checked" type="checkbox"/>	The Applicant will be able to contract with the CWCB using the Standard Contract
<input type="checkbox"/>	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. **NONE**

Water Supply Reserve Account – Application Form

Revised December 2011

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:

Water Supply Reserve Account – Application Form

Revised December 2011

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

Latitude: 38.55.31.60 N

Longitude: 107.43.50.88 W

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

West Reservoir No. 1 is categorized as a (small) High Hazard Dam by the Office of the State Engineer, due to possible threat to a residence near State Highway 133 in the Jay Creek corridor in the event of failure of the dam.

In the course of the annual inspection of West Reservoir by the Office of the State Engineer, the outlet pipe was explored and videoed. This revealed severe corrosion to the bottom of the outlet pipe, with many sections completely gone, with scouring of the earth and stone beneath the missing sections of pipe.

As a consequence, the OSE issued a “zero fill” order for 2014, and requested a plan from the company for safely drawing down the 454 acre feet of stored water so repairs could be planned.

The project comprises three elements: 1) safely emptying the reservoir; 2) engineering review and planning; 3) construction.

- 1) It was agreed between the Company and the OSE that the safest method of emptying the reservoir would be to pump it down, rather than run the risk of opening the outlet pipe valve and washing out the material remaining around the outlet pipe and failing the dam. This step has been accomplished at a cash cost of approximately \$43,662 born by the shareholders of the Company. (detailed expenditures Exhibit A) We would like to request that this amount be considered the Company’s share contribution for purposes of any WSRA grant.
- 2) The Company has received a detailed project plan from a reputable engineering firm with expertise in dam construction meeting the requirements of the OSE. The engineers (RJH Consultants) completed on-site testing etc in October. The engineering costs are bid at \$35,000, of which dam owners have paid \$5,000 for the initial work, and \$5,000 for survey of the dam. The further \$30,000 would be funded by any WSRA grant.
- 3) At this point the construction stage is anticipated to include excavating the center section of the dam down to the outlet pipe; replacing the outlet pipe, valve, measurement rod; then rebuilding the dam. This element

Water Supply Reserve Account – Application Form

Revised December 2011

would be funded by the WSRA grant and is estimated to be approximately \$336,000 (based on recent similar projects managed by the engineers).

Water Supply Reserve Account – Application Form

Revised December 2011

Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)
 - a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.¹
This project will protect senior storage rights which were adjudicated pre-compact (1905 appropriation).
 - 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.

Water Supply Reserve Account – Application Form

Revised December 2011

- 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)

Of a total estimated budget of \$426,317, West Reservoir and Ditch Company ("company") has already incurred cash expenditures of \$53,662, for approximately 12.6 % of the total estimated budget. With planned active participation with the contractors, including owners' equipment and labor, West Reservoir and Ditch Co will contribute \$100,411 (or 25%) of the project's total budget. This is 57% of the requested amount from the state fund.

² 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

Water Supply Reserve Account – Application Form

Revised December 2011

2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

Evaluation Criteria – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.
- c. The water activity helps implement projects and processes identified as helping meet Colorado’s future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable’s basin-wide water needs assessment.

Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).
- e. The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.

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

- f. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.
- g. The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.
- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.
- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

Water Supply Reserve Account – Application Form

Revised December 2011

Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

Please attach additional pages as necessary.

Tier 1:

a.)

West Reservoir not only supplies irrigation water, but the company acts proactively to assist and support local community needs and concerns.

* During the Oak Mesa Wildfire in 2008, West Reservoir was used as an emergency source for water dumped by BLM aircraft and Hotchkiss Fire District vehicles to contain the fire, saving time and money for the agencies and expediting containment of the fire.

* During natural gas exploration on Oak Mesa in 2010, under BLM leasing, the Company and the gas exploration group applied for and received a Temporary Substitute Use ruling from the DNR for using West Reservoir water for the exploration drilling. Neighbors and the community along LeRoux Creek road were concerned about water truck traffic, noise and disturbance, dust etc. This cooperation was entered in order to minimize these effects on members of the community.

* The company cooperates with private water right owners in Wolf Park, and periodically provides storage of early run-off water for later summer and fall use in the Jay Creek drainage.

* The fill ditch for West Reservoir is used cooperatively by a private water right holder on LeRoux Creek (across from North Road) to deliver their early water.

* During the winter 2012 – 2013 the dead pool water was used to provide drilling water during the coal exploration being performed under BLM license, to minimize travel disturbance and damage to the Oak Mesa county road.

* The West Reservoir and Ditch effectively transfer water from the Jay Creek drainage towards the Roatcap drainage, replenishing local aquifers, numerous springs from Sunshine Mesa to Stucker Mesa and ultimately returning to the Overland Ditch users and Fire Mountain Canal users.

* Finally, as the company releases West Reservoir water in the late season (typically mid-July through September) our flow maintains aquifer levels after the larger ditches like Overland have been closed.

Tier 2.

d.)

Due to the limited resources of the three company shareholders, this application for Grant money is crucial to

Water Supply Reserve Account – Application Form

Revised December 2011

continuing with the dam outlet repair. CWCB loan assistance is being applied for as a complementary source for proceeding with the project.

e)

To date, the company has demonstrated a significant and appropriate commitment in terms of the cash outlays (which currently approximate 14% of total project estimated costs). Without grant funding the company most likely will not be able to proceed with repairs.

Tier 3

f)

The stored water is used for a variety of agricultural purposes, most notably stock water for cattle grazing Oak Mesa and the adjoining BLM leases, and crop irrigation.

Notably, the land surrounding the reservoir itself is committed to a conservation easement (4,330 acres), and the waters are a useful augmentation to wildlife needs, including those of big game animals (deer, moose, elk, bear and lions), smaller mammals (coyote, grouse, ducks, marmots, weasels etc), amphibians (northern leopard frog listed as a Colorado “*state special concern*” animal and salamanders), reptiles, and numerous hawk and bird species.

g.)

The stored water is pre-compact water dating to 1905. Without repair to the dam, 454 acre-feet could be abandoned.

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.

Water Supply Reserve Account – Application Form

Revised December 2011

Part IV. – Required Supporting Material

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

The West Reservoir storage right collects water from the three branches of Jay Creek (tributary to the North Fork of the Gunnison) and the watershed surrounding them. Additionally water is provided from seven sources above Roatcap Creek (tributary to the North Fork of the Gunnison) along the Overland Ditch. A copy of the Water Rights Report for West Reservoir from the DNR Hydrobase is attached.

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

There are no permitting issues to resolve, and we have attached the Dam Safety Report from the Office of Dam Safety, with their guidance letter, which is the stimulus for this project.

3. Statement of Work, Detailed Budget, and Project Schedule

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA

Water Supply Reserve Account – Application Form

Revised December 2011

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.

Water Supply Reserve Account – Application Form
Revised December 2011

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

Signature of Applicant:

Print Applicant's Name:

Project Title:

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

Water Supply Reserve Account – Application Form
Revised December 2011

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

Signature of Applicant:

N Hughes

Print Applicant's Name:

Nick HUGHES

Project Title:

West Reservoir Outlet Repair

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