

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



January 15, 2014

Delta Conservation District
Attn: Mr. Ralph D'Alessandro, President
690 Industrial Blvd.
Delta, CO 81416

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

**RE: Notice to Proceed - WSRA Grant – Somerset Diversion Improvement Study
North Fork of the Gunnison River Corridor Project in the Gunnison River
Basin**

Dear Ralph,

This letter is to inform you that the purchase order to assist in the Somerset Diversion Improvement Study North Fork of the Gunnison River Corridor in the Gunnison River Basin was signed on January 15, 2014. The original purchase order will be mailed to you.

With the executed purchase order, you are now able to proceed with the project and invoice the State of Colorado for costs incurred through December 31, 2014. Upon receipt of your invoice(s), the State of Colorado will provide payment no later than 45 days. I wish you much success in your project.

If you have any questions or concerns regarding the project, please contact me.

Sincerely,

//s//

Craig Godbout
Program Manager
Colorado Water Conservation Board
Water Supply Planning Section
1580 Logan Street, Suite 200
Denver CO 80203
 [\(303\) 866-3441, ext 3210](tel:(303)866-3441) (office)
 [\(303\) 547-8061](tel:(303)547-8061) (cell)
craig.godbout@state.co.us

Exhibit A

Statement of Work

WATER ACTIVITY NAME – Somerset Diversion Improvement Study -North Fork of the Gunnison River Corridor Project

GRANT RECIPIENT – DELTA CONSERVATION DISTRICT (DCD)

FUNDING SOURCE - Water Supply Reserve Account – Statewide Account

INTRODUCTION

This project covers the North Fork of the Gunnison River and includes:

Three tasks which will complete a Somerset diversion modification study defining key stakeholders' requirements for the project, a preliminary design, a project cost estimate and final report.

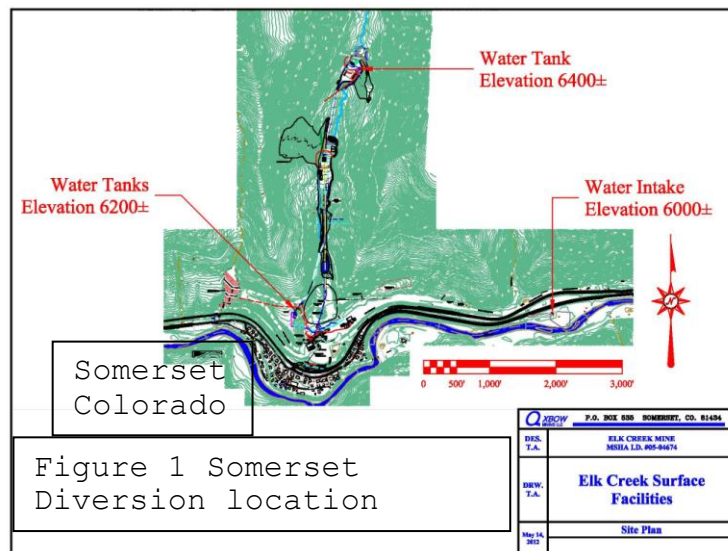
OBJECTIVES

The project objectives include:

1. Somerset Diversion Modification and River Improvement Study

Background – The Somerset diversion is owned and operated by Oxbow Mining LLC – Elk Creek Mine. See Figure 1. This diversion, while providing industrial water for the mine, more importantly for the longer term concern also provides the municipal water for the town of

Somerset via the Somerset Domestic Waterworks District.. Currently, the diversion has difficulty diverting the required water during low flow periods. Also, the filtration system that removes sediment is old and apparently requires significant maintenance. The domestic water system is of increasing concern as the cessation of mining operations nears and the community works to maintain the continued flow of high quality water to its water district users. The filtration system is due to be transferred to the Somerset Domestic Waterworks



District at the cessation of mining operations with one water storage tank unit to be transferred during the remaining period of active mining operations. The entire water treatment facility is to

be transferred at cessation of mining operations and is mostly a durable system. The filtration system currently used is of a temporary nature using mine equipment.

This stretch of the North Fork River (NF) has a variable boating season of 1-9 weeks of higher flows (1000+ cfs) and benefits from extended flows down to the 256 cfs that are delivered to the Fire Mountain Canal below Somerset, Colorado. These lower flows last through the irrigation season typically into September or even October.

Fishing on the North Fork is limited by access; however, is considered excellent for trout. Legal access to the 20 mile stretch of the NF from Paonia Reservoir to the Town of Paonia is limited to the State Park below the Paonia Reservoir dam and the River Park in Paonia.

Preliminary discussions with Oxbow indicates that management will consider allowing drop structures to be built in the river to benefit recreational boating in high water and predominately fishing in low water. Oxbow will consider the development of access rights as part of the preliminary design process.

Preliminary discussions with Colorado Parks and Wildlife indicate they are interested in supporting this proposal.

TASK 1 – Establishing the Preliminary Design Requirements

Description of Task

Task 1 will assemble the key stakeholders to define all the requirements that must be incorporated into the preliminary design. The general focus of the design requirements will be on:

- Insuring that the diversion modification will successfully divert the required amount of water at all river flows and reducing the amount of sediment taken into the diversion;
- Developing a series of drop structures above and below the diversion that enhance both fish habitat and recreational boating;
- Defining all issues associated with public access to this area and developing potential resolutions to all issues; and
- Other requirements as defined by the stakeholders.

Method/Procedure

Individual stakeholder discussions will be held to establish a draft set of design criteria. Once that is completed, meetings including all stakeholders will be held to finalize the design requirements.

Deliverable

The design requirements will be delivered in the final report.

TASK 2 –Preliminary Design Development

Description of Task

The purpose of this task is to develop a preliminary design and cost estimate for construction based on the requirements defined in Task 1.

Method/Procedure

The starting point for the preliminary design will be the results of Task 1. The design effort will include preliminary evaluation of long-term maintenance and 100-year flood impact on the designed structure and the surrounding floodplain. The preliminary design process will

incorporate the latest analysis technologies that have been proven successful in the design and evaluation of diversion structure modifications.

DCD will release a competitive procurement for the preliminary design effort from among engineering firms such as McLaughlin Engineering, Tetra-Tec and Buckhorn Geotech. The selection process will be based on a best-value approach and will not be based strictly on cost. Engineering capabilities and past performance will be weighted equally with the bid cost. The least risk, best-value proposal will be selected for award. DCD will seek as a winning firm one that has demonstrated capabilities and past performance at a level that minimizes the risks of the project. The draft preliminary design review process will include a review by all of the key stakeholders.

Deliverable

The preliminary design will be delivered in the final report. All design efforts and approach methods will be documented. All models and data used in the design process will be supplied in electronic format usable by standard design software.

TASK 3 – Final Report

Description of Task

The effort of this task is to compile and document all of the activities of this project.

Method/Procedure

The results of this project will be implemented into the final report. The report will be contributed to and reviewed by all of the partners. The final report will be reviewed and approved by the Board of Supervisors of the DCD.

Deliverable

The final report is the deliverable.

REPORTING AND FINAL DELIVERABLE

DCD shall provide a progress report every 6 months, beginning from the date of the executed contract. Our progress reports 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. All deliverables defined for the tasks will be delivered in the progress reports.

At completion of the project, DCD shall provide a final report that summarizes the project and documents how the project was completed. Our report may contain photographs, summaries of meetings, engineering reports/designs, and deliverables defined for each task.

PROJECT BENEFITS

The will result in the following benefits:

- A Somerset diversion modification and river improvement preliminary design and cost estimate to complete the project will be available;
- The resultant engineering study will provide a design of an improved diversion that will better meet the consumptive use requirements; and
- The resultant engineering study will provide a design for improved in river structures that will enhance nonconsumptive use for both fish habitat and recreational boating and provide the potential for an additional public access site to the river.

PROJECT SUPPORTERS

Oxbow Mining LLC, Somerset Domestic Waterworks District, Trout Unlimited, Paonia Kayak Club, Colorado Parks and Wildlife, and Western Slope Conservation Center (formerly NWCC)

BUDGET

The total project funds are given in the Grant Request Table. A total project budget by task is given below

Grant Request Table			
Total Project Cost	\$58,075	Status	Funding Work Area
Water Reserve Account – Statewide Account	\$43,200		Tasks 1 through 3
Gunnison Basin Roundtable	\$ 4,800		Tasks 1 through 2
List Funding Sources			
Delta Conservation District	\$2,975	In Kind	Tasks 1 through 3
Oxbow LLC	\$2,500	In Kind	Tasks 1 and 2
Parks and Wildlife	\$2,000	In Kind	Tasks 1 and 2
Somerset Domestic Waterworks District	\$2,000	In Kind	Tasks 1 and 2
Trout Unlimited	\$ 400	In Kind	Tasks 1 and 2
Paonia Kayak Club	\$ 200	In Kind	Tasks 1 and 2

SCHEDULE - The following tables provide a project schedule including key milestones for each task and the completion dates.

Phase/Task	Start Date	Finish Date
Somerset Diversion Modification and River Improvement Study	1/1/2014	12/31/2014
Task 1 Establishing the Preliminary Design Requirements	1/1/2014	3/31/2014
Task 2 Preliminary Design Development	2/1/2014	10/31/2014
Task 2 Final Report	10/1/2014	12/31/2014

Somerset Diversion Modification Study	Labor`	ODC	In-Kind Match	Total
Task 1 – Establishing the Preliminary Design Requirements	\$3,200	\$100	\$ 7,500	\$10,800
Task 2 -Preliminary Design Development	\$3,500	\$40,600	\$ 2,100	\$46,200
Task 3 – Final Report	\$ 500	\$100	\$ 475	\$ 1,075
TOTAL	\$7,200	\$40,800	\$10,075	\$58,075

ODC

- Office supplies and materials – \$200;
- Engineering subcontract - \$40,600

Labor is DCD project labor and management, and administration estimated at 288 hours valued at \$25.00 per hour.

In-Kind Contribution

Company	Hours	\$/H	Total
Oxbow	50	\$ 50	\$2500
Parks and Wildlife	50	\$ 40	\$2000
Somerset Domestic Waterworks System	50	\$ 40	\$2000
DCD	119	\$ 25	\$2975
Trout Unlimited	10	\$ 40	\$ 400
Paonia Kayak Club	10	\$ 20	\$ 200

PAYMENT

DCD will request payment based on actual expenditures and invoice accordingly to CWCB. The request for payment will 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. DCD understands that 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 will 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 the Gunnison Basin Roundtable.

INSURANCE REQUIREMENTS

DCD will meet all 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 will be provided upon notification of intent to award this grant.

W-9 FORM

DCD will provide a completed W-9 form prior execution of a contract or purchase order.

WATER CONSERVATION BOARD
1313 SHERMAN STREET, ROOM 721
DENVER, CO 80203

Buyer: ALLAN SMITH
Phone Number: 303-866-3292
Agency Contact: DORI VIGIL
Phone Number: 303 866 3441

DATE: 01-15-14

IMPORTANT
The PO# and Line # must
appear on all invoices,
packing slips, cartons
and correspondence

ACC: 01-14-14



**PURCHASE
ORDER**
STATE OF COLORADO

P.O. # OE PDA 14IBC000026 Page# 01

State Award #

FEIN 846010950 Phone: - -
Vendor Contact:
Purchase Requisition #:

V
E
N
D
O
R
DELTA CONSERVATION DISTRICT
690 INDUSTRIAL BLVD
DELTA CO 81416

INSTRUCTIONS TO VENDOR:

1. If for any reason, delivery of this order is delayed beyond the delivery/installation date shown, please notify the agency contact named at the top left. (Right of cancellation is reserved in instances in which timely delivery is not made.)
2. All chemicals, equipment and materials must conform to the standards required by OSHA.
3. NOTE: Additional terms and conditions on reverse side.

BID #

Invoice in Triplicate

To: DIVISION OF WATER CONSERVATION
1313 SHERMAN STREET, ROOM 721
DENVER, CO 80203

Payment will be made by this agency

Ship DIVISION OF WATER CONSERVATION
To: 1313 SHERMAN STREET, ROOM 721
DENVER, CO 80203

Delivery/Installation Date: 12-31-14
F.O.B. DESTINATION STATE PAYS NO FREIGHT

SPECIAL INSTRUCTIONS:

LINE ITEM	COMMODITY/ITEM CODE	UNIT OF MEASUREMENT	QUANTITY	UNIT COST	TOTAL ITEM COST
001	91843000000				\$48,000.00
	CMS#64769 SOMERSET DIVERSION IMPROVE STUDY NORTH FORK OF GUNNISON RIVER CORRIDOR PROJECT IN THE GUNNISON RIVER BASIN				

DOCUMENT TOTAL =
FOR THE STATE OF COLORADO

\$48,000.00

THIS PO IS ISSUED IN ACCORDANCE WITH STATE AND FEDERAL REGULATIONS
This PO is effective on the date signed by the authorized individual.

EPSPO PAA

Authorized Signature

Date