



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 01/03/15

Elk Home Ditch Improvement, Steuben Creek Flow Restoration

Name of Water Activity/Project

Trout Unlimited, Jesse Kruthaupt

Name of Applicant

Gunnison

Amount from Statewide Account:

\$250,000

Amount from Basin Account(s):

\$60,000

Total WSRA Funds Requested:

\$310,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN:

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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>. In addition, the applicant should also refer to the [Supplemental Scoring Matrix](#) applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests .

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
1313 Sherman St., Room 721
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):	Trout Unlimited		
	Mailing address:	Jesse Kruthaupt Trout Unlimited 604 Elsa Ct Gunnison, CO 81230		
	FEIN #:	<u>38-1612715</u>		
	Primary Contact:	Jesse Kruthaupt	Position/Title:	Project Coordinator, TU
	Email:	jkruthaupt@tu.org		
	Phone Numbers:	Cell: 970-209-0976	Office:	
	Alternate Contact:	Drew Peternell	Position/Title:	TU Water Director
	Email:	dpeternell@tu.org		
	Phone Numbers:	Cell: 303-204-3057	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

Trout Unlimited (TU), the nation's largest coldwater conservation organization, representing more than 150,000 members and volunteers nationwide, including 10,000 in Colorado, has a program in the Upper Gunnison Basin focused on water use solutions that will benefit agricultural operations as well as protect and improve cold water trout habitat.

TU is partnering on this project with the owners of the water rights, Jim, Paul, and Steve Pike, (hereafter referred to as the Pikes) and Bechco Enterprises LLC (hereafter referred to as Bechco). Other partners include the United States Forest Service (USFS), and the Colorado Division of Parks and Wildlife. We are seeking additional project partners as well.

4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.

Trout Unlimited

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.

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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

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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.

Project Objectives:

1. Improve the reliability and yield of a pre-compact agricultural water right.
2. Reduce the burden of operating and maintaining a ditch on public land.
3. Protect and enhance a critical population of Colorado River Cutthroat Trout.
4. Improve delivery of water for storage in Rainbow Lake.

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)

7920 Length of Stream Restored or Protected (linear feet)

4000 Length of Pipe/Canal Built or Improved (linear feet)

167.9af Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

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

Latitude:

Longitude:

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.

This project is a collaborative effort between Trout Unlimited, the Pikes, Bechco, Colorado Parks and Wildlife, and the United States Forest Service. It is located approximately 13 miles north of Blue Mesa Reservoir on the southern boundary of the West Elk Wilderness near Gunnison, CO.

This project will convert the delivery mechanism of the Elk Home Ditch water right (7.25cfs, adjudication date of 1906) from an open, earthen ditch to 30-inch pipeline. By doing so, the project will improve water delivery to Rainbow Lake Reservoir and water yield to the Pikes and Bechco properties. The existing earthen ditch lies on US Forest Service property, and it has historically been difficult to operate and maintain. Converting the ditch to a pipeline will significantly reduce the burden of operating and maintaining the water right, thus improving access to the water right.

This project also involves the elimination of diversions at the Elk Home 2 Ditch (7.25 cfs, adjudication date of 1906), which lies on US Forest Service lands within the West Elk Wilderness Area. Engineering demonstrates that the improved yield from the Elk Home Ditch will more than offset for the loss of yield at the Elk Home 2 Ditch. By eliminating diversions at the Elk Home 2 Ditch, the project will eliminate the historic burden of operating and maintaining this ditch. Further, by eliminating diversions at the Elk Home 2 Ditch, the project will improve flow in Steuben Creek to benefit a critical population of Colorado River Cutthroat Trout. We will explore the possibility of protecting this water in the CWCB instream flow program.

In sum, when implemented this project will improve access to and reliability of pre-compact water rights, reduce the burden of operating and maintaining a ditch system on National Forest wilderness lands, address irrigation demands, and protect base flows for a population of genetically pure Colorado River Cutthroat Trout. Trout Unlimited and the water right owners have considered several options to improve this irrigation system while protecting flows in West Steuben Creek. Piping Elk Home ditch will vastly improve access to water for irrigation and storage, while at the same time eliminate the need for diversions at the Elk Home 2 headgate which is within the wilderness area and at the head of West Steuben

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Creek. This project will improve flows for a section of West Steuben Creek populated by Colorado Cutthroat Trout.

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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 is consistent with Section 37-75-102 Colorado Revised Statutes.¹

This project is consistent with Section 37-75-102 C.R.S. and will continue to protect the use of senior water rights in the State of Colorado and in no way impair any contractual or property rights related to the use of irrigation water.

- 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.

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- 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 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 contract or purchase order between the applicant and the State of Colorado is executed. 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)

Matching funds and In-kind contributions are being provided by Trout Unlimited, United States Forest Service, and project stakeholders. The requested amount is within the match requirement reflected in the Project Budget in Exhibit A.

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.

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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. The applicant should also refer to the Supplemental Scoring Matrix applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests. 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.

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- 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.

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

Please attach additional pages as necessary.

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

Water Needs

- a. This project is a collaborative effort between agricultural water users, Trout Unlimited, and the United States Forest Service, and Colorado Parks and Wildlife. Once implemented the project will addresses both consumptive values by improving access to water for irrigation and storage and nonconsumptive values by protecting stream flows in the West Elk Wilderness for native Colorado Cutthroat Trout.
- b. This project is an example of how a conservation organization interested in protecting nonconsumptive values can cooperate with traditional agricultural consumptive uses and implement a project that will provide long term protection for both agriculture enviromental values.
- c. This project implements processes that will help meet future water demands by improving the access to irragation water, improving water delivering for storage, and improving in-stream flow for native fish population.

Tier 2: Facilitating Water Activity Implementation

- a. This project is unlikely to be implemented without the use of WSRA account funds. It would not be feasible for Trout Unlimited or the water users to pay for this project out-of-pocket. However, the investment will improve access to and yield from the irrigation water right, which will help sustain agricultural operations, and protect enviromental and recreational resources in the Gunnison National Forest and West Elk Wilderness which are highly valued by citizens of the Colorado.
- b. As described in the detailed budget in Exhibit A there has been significant investment in this project. Over the last three years Trout Unlimited has contibuted \$44,500 for montioring equipment, montitoring labor, engineering analysis, survey, and design which demonstrates a high level commitment to the completion of this project. The Upper Gunnison River Water Conservation District has also invested in the monitoring effort by purchasing a data logger which was installed in Elk Home ditch. Colorado Parks and Wildlife as provided field survey and genetic anlysis as well as listed this Cutthroat population as a Core Conservation Population. The United States Forest Service has committed staff time for assistance with instream flow appropriation and permitting as well as cash match for the project of \$2000.00

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

- a. This project will help sustain agriculture & open space by improving infrastructure and delivery of irrigation water to historically irrigated lands. This project will also protect environmental flows in the West Elk Wilderness area for Colorado River Cutthroat Trout.
- b. This project will not affect compact administration related to this water right.
- c. This project will assist in the recovery of the Colorado River Cutthroat Trout which is a Colorado species of concern.

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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.

This project will directly affect the Elk Home Ditch and the Elk Home 2 Ditch. Both ditches are decreed to divert 7.25 cfs of water from West Steuben Creek for irrigation use with 1906 adjudication dates. The Elk Home Ditch is located on the boundary of the West Elk Wilderness in the NE, NE, NE of section 33 and the Elk Home 2 Ditch is located in the wilderness in the NE, NE, NW of section 35 both ditches are in Range 51 North Range 3 West within New Mexico Principle Meridian. Both structures are in an unsurveyed area therefore locations may be in error, refer to attached map in Exhibit B.

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

Over the past two irrigation seasons Trout Unlimited recorded diversions and stream flows for the purpose of analyzing the system of diversions and storage to determine the best possible manner to improve the system and improve stream flows in West Steuben Creek. We contracted the engineering firm, Clear Water Solutions, to analyze the data collected and provide a report identifying crop demands, transit losses, irrigation shortages, storage, as well as system improvement recommendations. The piping recommendation was selected because it addressed transit losses, structural deficiency, an identified demand gap, and could result in flow improvements.

TU also hired Buckhorn Geotech to provide a preliminary survey of Elk Home Ditch. Williams Engineering was subsequently selected from three local engineering firms to complete the Elk Home Ditch pipe design.

The project will take place on USFS property and the associated actions could be considered to be outside of normal operation and maintenance therefore requiring a temporary construction permit under the existing 1866 permit. USFS has provided TU with verbal assurances that the necessary permits will be provided prior to fall of 2015 when construction is expected to start.

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

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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 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 10 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.

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

Signature of Applicant:



Print Applicant's Name: Jesse Kruthaupt

Project Title: Elk Home Delivery Improvement & Steuben Creek Flow Restoration

Date: 1/4/2015

Return an electronic version (hardcopy may also be submitted) of this application to:

Craig Godbout – WSRA Application
Colorado Water Conservation Board
1313 Sherman St., Room 721
Denver, CO 80203
303-866-3441, ext. 3210 (office)
303-547-8061 (cell)
craig.godbout@state.co.us