



COLORADO WATER CONSERVATION BOARD

ALTERNATIVE AGRICULTURAL WATER TRANSFER METHODS COMPETITIVE GRANT PROGRAM



GRANT APPLICATION FORM

Northeast Colorado Water Cooperative Implementation
Project

South Platte River

Program/Project Name

River Basin Name

\$198,900

\$22,100

Amount of Funds Requested

Amount of Matching Funds

Instructions: This application form must be submitted in electronic format (Microsoft Word or Original PDF). The application can be emailed or a disc can be mailed to the address at the end of the application form. The Alternative Agricultural Water Transfer Methods Competitive Grant Program, Criteria and Guidelines can be found at <http://cwcb.state.co.us/LoansGrants/alternative-agricultural-water-transfer-methods-grants/Pages/main.aspx>. **The criteria and guidelines must be reviewed and followed when completing this application.** You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request for a grant. If you have difficulty with any part of the application, contact Todd Doherty of the Water Supply Planning Section (Colorado Water Conservation Board) for assistance, at (303) 866-3441 x3210 or email at todd.doherty@state.co.us. Generally, the applicant is also the prospective owner and sponsor of the proposed program/project. If this is not the case, contact Todd before completing this application.

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Part A. - Description of the Applicant(s) (Program/Project Sponsor);

1.	Applicant Name(s):	Lower South Platte Water Conservancy District		
	Mailing address:	100 Broadway Plaza Suite 12 Sterling, Colorado 80751		
	Taxpayer ID#:	84-0562269	Email address:	jmfrank@lspwcd.org
	Phone Numbers: Business:	(970) 522-1378		
	Home:	(970) 520-0628 (cell)		
	Fax:	(970) 522-0848		

2. Person to contact regarding this application if different from above:

Name:	Joe Frank
Position/Title	General Manager

3. If the Contracting Entity is different then the Applicant, please describe the Contracting Entity here.

N/A

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4. Provide a brief description of your organization. The applicant may be a public or private entity. Given the diverse range of potential applicants, not all of the following information may be relevant. Where applicable and relevant the description should include the following:

- a) Type of organization, official name, the year formed, and the statutes under which the entity was formed, a contact person and that person's position or title, address and phone number. For private entities, a copy of the Articles of Incorporation and By-laws should be appended to the application.

The Lower South Platte Water Conservancy District (LSPWCD) is a public agency created in 1964 under the 1937 Water Conservancy Act (C.R.S. 37-45-101) for conserving, developing and stabilizing supplies of water for domestic, irrigation, power, manufacturing and other beneficial uses. For purposes of this application, the contact person is Joe Frank, General Manager, 100 Broadway Plaza, Suite 12, Sterling, Colorado 80751, (970) 522-1378.

- b) For waters suppliers, information regarding the number of customers, taps, service area, and current water usage, and future growth plans, water related facilities owned or used, funding/revenue sources (existing service charges, tap fees, share assessments, etc.), the number of members or shareholders and shares of stock outstanding or a description of other means of ownership.

LSPWCD currently owns, operates and manages infrastructure and water rights in Sedgwick County for augmentation within the area. LSPWCD also assists numerous water users in the District with augmentation, recharge and small-scale storage project development and technical assistance.

- c) For other entities, background, organizational size, staffing and budget, and funding related to water that is relevant in determining whether the applicant has the ability to accomplish the program/project for which funding is sought.

LSPWCD has significant history and experience in grant administration, particularly in projects that involve water related activities and collaboration with other vested industry partners.

LSPWCD maintains a staff of three full time employees and contracts services with up to three additional individuals or entities depending on project need and intensity of workload. The staff also manages and administers various projects and responsibilities for: District 64 Reservoir Company, Inc., South Platte Water Related Activities Program, Inc., Ducks Unlimited, and South Platte Lower River Group.

Most significantly, however, are the resources brought to this project by a wide variety of key collaborators in this proposal, which are listed in Tables 1 and 2 below. Table 1 consists of organizations and individuals contributing current cash matching funds towards this project and grant application. Completed pledge forms for each entity listed in Table 1 are attached with this application in Appendix A. Table 2 lists various organizations which have contributed past cash funding, past in-kind and consulting services, and/or which are projected to contribute future

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funding, and future in-kind or consulting services towards the advancement of the proposed Northeast Colorado Water Cooperative.

Table 1
Collaborating Partners Contributing Cash Matching Funds for
Northeast Colorado Water Cooperative
Implementation Project

#	Organization	Pledge Amount	Contact
1	Lower South Platte Water Conservancy District	\$ 2,500.00	Joe Frank
2	Colorado Corn Growers Association	\$ 5,000.00	Mark Sponsler
3	Ft. Morgan Reservoir and Irrigation Company	\$ 500.00	Cindy Vassios
4	Julesburg Irrigation District	\$ 500.00	Larry Frame
5	Riverside Irrigation District	\$ 500.00	Donald Snider
6	City of Sterling	\$ 1,000.00	Joe Kiolbasa
7	North Sterling Irrigation District	\$ 500.00	Jim Yahn
8	Logan Well Users, Inc.	\$ 1,000.00	Kevin Vollmer
9	Morgan County Quality Water District	\$ 500.00	Mark Kokes
10	Deuel and Snyder Ditch Company	\$ 500.00	Brad Kembel
11	Sublette	\$ 500.00	Rick Sandquist
12	Bijou Irrigation District	\$ 500.00	Denice Wagner
13	Bijou Irrigation Company	\$ 500.00	Denice Wagner
14	Weimer Farms	\$ 250.00	Mike Baessler
15	Weldon Valley Ditch Company	\$ 250.00	Rick Lorenzini
16	Mowery Farms	\$ 250.00	Larry Mowery
17	Upper Platte and Beaver Canal Company	\$ 500.00	Steve Kalous

Total \$ 15,250.00

The pledged matching funds described in Table 1 will support Tasks 1 through 5 in the Statement of Work described later in this application.

In addition to entities who have pledged matching funds as of the grant application date, the applicants anticipate that an additional \$6,850 of matching funds will be obtained by the end of April, 2013. The applicants have included the anticipated matching funds in the grant application. The anticipated matching funds will be allocated to specific tasks so that, if the funds do not materialize, the grant request and scope of work can be easily adjusted. Tasks 6 and 7 (described in the Statement of Work) will be supported by the pending matching funds.

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Table 2
Collaborating Partners Contributing Past Cash Funding, In-Kind and Consulting Services for
Northeast Colorado Water Cooperative Implementation Project

Organization	Contact
Groves Farms	Mike Groves
Lower South Platte Water Conservancy District	Joe Frank
Lower South Platte Water Conservancy District	Ken Fritzler
North Sterling Irrigation District	Jim Yahn
Northern Colorado Water Conservancy District	John Rusch
Northern Colorado Water Conservancy District	Brad Wind
Riverside Irrigation District	Don Chapman
Riverside Land Company	Donald Snider
Ft. Morgan Reservoir and Irrigation Company	Chris Kraft
Julesburg Irrigation District	Larry Frame
South Platte Ditch Company	Ron Quint
Harmony Ditch Company	Larry Mowery
Vranesh and Raisch, LLP	Mike Shimmin
Dunn & Phillips LLC	Linda Phillips
Brown and Caldwell	Matt Lindburg
Brown and Caldwell	Don Ament
Colorado Division of Water Resources	Brent Schantz
Colorado Division of Water Resources	Scott Cuthbertson
Ft. Morgan Reservoir and Irrigation Company	Cindy Vassios
Jackson Lake Reservoir and Irrigation Company	Cindy Vassios
Colorado Open Lands	Dieter Erdman
Colorado Corn Growers Association	Mark Sponsler
Prewitt Reservoir Operating Committee	Jim Yahn
Lower Platte and Beaver Canal Company	Allyn Wind
Central Colorado Water Conservancy District	Randy Ray
Pioneer Irrigation Company	Allyn Wind
Lower Logan Well Users, Inc.	Brad Stromberger
Putman Ditch Company	Kent Kingsbury
H-R-R Farms Augmentation	Robert Geisick
Geisick Brothers Farms Augmentation	Robert Geisick
Washington County	David Foy
Baessler Farms	Mike Baessler
Morgan County Farm Bureau	Foy Chapin
Springdale Ditch Company	Leon Fritzler
Lowline Ditch Company	Steve Kaiser
Jensen & Teague Augmentation	Gary Teague
22 Ranch Limited Partnership	Tom Gill

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d) A brief history of the Applicant(s).

LSPWCD is a public agency created in 1964 and encompasses approximately 406,000 acres in portions of Morgan, Washington, Logan and Sedgwick counties. LSPWCD was originally formed for conserving, developing and stabilizing supplies of water for domestic, irrigation, power, manufacturing and other beneficial uses with an emphasis on design, construction and management of the Narrow's Dam and Reservoir.

Recent changes in water policy have caused the need for an adaptive mission for LSPWCD. The current mission statement for LSPWCD is: *to conserve, protect and enhance waters flowing in the South Platte River and its tributaries within the District boundaries; and to participate in water-related projects that will embody protection of water rights, thoughtful conservation, responsible growth, and beneficial water usage within the Lower South Platte Valley.*

LSPWCD is currently participating in various augmentation, recharge and small-scale storage projects. In addition, LSPWCD provides technical and water accounting assistance to water users within the District, actively participates in programs and projects associated with the Platte River Recovery Implementation Program, and participates in Basin-wide, State-wide and Federal water policy and planning on behalf of water users in the District.

e) Please include any relevant Tabor issues relating to the funding request that may affect the Contracting Entity.

The LSPWCD has no TABOR limits on revenue.

Part B. - Description of the Alternative Water Transfer Program/Project –

1. Purpose of the Program/Project

Please provide a summary of the proposed program/project, including a statement of what the program/project is intended to accomplish, the need for the program/project, the problems and opportunities to be addressed, the expectations of the applicant(s), and why the program/project is important to the applicant(s). The summary must include a description of the technical, institutional (i.e., how the program/project will be organized and operated), and legal elements that will and/or have been addressed by the applicant and proposed program/project. The summary should also discuss relevant project history, if applicable, and any other relevant issues.

Previous Studies

To the maximum extent possible, the results of any previous studies and investigation should be utilized and incorporated into the proposed program/project. The application for funding should include a brief summary of the results of previous studies and how they will be utilized.

Several years ago, a small group of water users and water professionals began discussing the possibility of organizing a water cooperative in the area of Water Districts 1 and 64 in the lower South Platte River. The water cooperative would create a mechanism for moving augmentation credits from plans with unused credits into plans that need additional credits. Initial quantification and analysis of periodically-occurring, unused augmentation credits and exchange potential were completed as part of previous work conducted under the ATM grant program through the Colorado Corn Growers Association, in partnership with Ducks Unlimited, the City of Aurora, and the water users interested in forming the proposed Northeast Colorado Water Cooperative (formerly known as the Lower South Platte Water Cooperative).

The preliminary quantification of unused augmentation credits and exchange capacity was favorable, and the water users interested in the cooperative (a.k.a. the steering committee) decided that additional research and outreach to potential stakeholders and participants was warranted. During 2010, committee members met with numerous ditch and reservoir companies, irrigation districts, augmentation groups and conservancy districts to discuss whether there was sufficient interest in organizing the water cooperative. Since responses to the water cooperative idea were positive and in order to research and address issues raised, the steering committee prepared a work plan to outline a course of action. The primary goals of the work plan were to: 1) develop an organizational structure for the water cooperative, 2) develop a detailed draft operational plan, and 3) request necessary funding to accomplish this work.

The steering committee applied for and was awarded two grants to research organizational and operational aspects of the water cooperative. Work under a grant through the Water Supply Reserve Account (WSRA) focuses primarily on research and development of an organizational structure for the Water Cooperative. An Alternative Transfer Methods grant was awarded to the steering committee to

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research operational aspects of the cooperative. Work progress to date under these grants is briefly summarized below. A more detailed summary of activities under these grants was provided to the CWCB in an October 1, 2012 memorandum from the project team to Mr. Todd Doherty.

Organizational Plan

- Developed general organizational concepts, mission statement, etc. Shared this information with stakeholders and sought input in February, 2012.
- Researched various organizational structures and found that a cooperative seems to be the best fit for the criteria and organizational characteristics developed by stakeholders. Currently developing draft bylaws, articles of incorporation, etc. to present to stakeholders.
- Researching water law issues pertinent to operations of the cooperative.

Operational Plan

- Quantified various types of potential water supplies including unused recharge credits, available unappropriated supplies, and firming supplies that might periodically be leased from senior water right holders.
- Quantified many water demands and are continuing this process. Water needs have varied. Some users need water year in and year out, but many water users expressed a need for supply primarily in drought years.
- Updated tools for assessing exchange and free river conditions.
- Developed an operational planning tool that incorporates supply, demand, and delivery information. The planning tool is being used to evaluate different hydrologic scenarios and operational strategies to successfully meet demands under the scenarios.
- Working on developing operational scenarios.
- Conducting economic analysis of alternative transfers.

The project described in this grant application will build upon and will make extensive use of the work conducted under previous grants awarded to the Colorado Corn Growers Association (and other teaming partners) and, most recently, the Lower South Platte Water Conservancy District. The goal of the current project, as described in this grant application, is to implement the water cooperative in 2014. Before the cooperative can be implemented, engineering work must be conducted and the water accounting system (currently under development) must be customized to reflect the specific members of the water cooperative. A general description of the objectives and elements of work in this grant application are described below:

- Engineering: The objective of the engineering phase will be to evaluate the supplies, demands, and delivery strategies for the specific initial participants in the Northeast Colorado Water Cooperative (NECWC). Extensive use will be made of analysis tools developed during previous phases of work (i.e. exchange capacity tool, the operational planning model, etc.). The work will culminate in an

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Engineering Report that can be used to support a Substitute Water Supply Plan (SWSP) and Water Court application for the cooperative.

- **Accounting:** The objective of the accounting phase will be to refine and implement an accounting system to track the movement of water among cooperative members. Work on the accounting system will involve acquisition and input of necessary data and information from participating augmentation plans, ditch companies, water providers, etc. and testing of the accounting system. The project team will consult with the Division Engineer to ensure that the accounting protocols are appropriate. Grant funds are also being sought to cover the costs of conducting the actual water accounting for the first year of cooperative operation.
- **Meetings:** The project team will meet multiple times with organizations who would likely participate as opposers in Water Court proceedings. The objectives of the meetings will be to identify potential concerns that opposers may have with the cooperative and to collaborate on potential solutions to their concerns prior to initiating the Water Court process. Funds will also be sought to compensate opposers' water attorneys and engineers for their time at meetings and for limited time outside of meetings to review documents, prepare for meetings, etc.
- **Project Reports:** An Engineering Report will be written to support a Water Court application and SWSP for the cooperative. In addition, a project completion report will be written and submitted to the CWCB.

2. Study Area/Service Area Description

The study area/service area is generally the geographic area that is the subject of the proposed program/project (include both the source of supply and location and type of new use). The description should include the following items:

- a) A narrative description of the study area/service area including: the county, the location of towns or cities, topography, and locations of major surface and ground water features.

In general the study / service area of agricultural water rights for this project are within Water Districts 1 and 64 of Division 1 (South Platte River Basin). However, potential municipal and industrial end users of water are located within most areas of the South Platte Basin below Chatfield Reservoir. In addition, future agricultural, environmental and recreational water rights owners and end users of water may also be located in all areas of the South Platte Basin below Chatfield Reservoir.

The initial focus of the NECWC is to analyze specific agricultural water rights within Districts 1 and 64 (Kersey to Colorado-Nebraska state line) in order to lease and retime a portion of this water for agricultural, municipal and industrial water users within Districts 1 and 64. In the future, a portion of this water may be exchanged or otherwise conveyed upstream to meet demands along the Front Range.

The focal study area for this project (Districts 1 and 64) includes portions of Weld, Morgan, Washington, Logan and Sedgwick counties including the towns of Ft. Morgan, Brush, Sterling, Julesburg, and numerous smaller towns. The topography of the study area generally includes a flat valley floodplain with areas of benched irrigated lands served by direct flow irrigation ditches and off stream reservoirs filled by additional ditch systems. The alluvial aquifer of the South Platte River basin is in close hydraulic connection with the surface water of the river. The South Platte River acts as a drain, collecting return flows both above ground and underground from surface irrigation, natural precipitation, and man-made groundwater recharge facilities. In addition to surface irrigation, numerous high capacity wells pump water for irrigation, municipal and industrial uses within the South Platte alluvial aquifer both as sole and supplemental sources of water.

- b) An area map showing each of the items above, as well as the locations of existing facilities, proposed project facilities and boundaries of lands involved in the proposed program/project.

As mentioned above, the general study / service area for this project includes agricultural water rights within Water Districts 1 and 64 of Division 1 (South Platte River Basin). A general overall map with irrigated acres of Water Districts 1 and 64 are attached with this application as Appendix B.

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- c) Information regarding the irrigated lands that are involved in the program/project. This must include a tabulation of total irrigated acreage, description of cropping types, crop yields, and total average annual water diversions for existing agricultural lands.

Based on land use data from the State of Colorado's South Platte Decision Support System, the 2005 total irrigated acreage and crop types in Water Districts 1 and 64 initially analyzed as part of this project are included in Table 3 and Table 4. Crop yields for all of the lands in Water Districts 1 and 64 were not readily available, nor were average annual diversions.

Table 3
2005 Irrigated Acres

District	Acres
1	261,073
64	140,079
Grand Total	401,152

Table 4
2005 Crop Types

Crop Type	Total Acres
Alfalfa	134,053
Corn	174,016
Dry Beans	12,557
Pasture Grass	30,043
Small Grains	29,728
Farm Sod	2,826
Sugar Beets	11,178
Vegetables	6,750
Grand Total	401,152

As a part of previous work on the cooperative funded by the WSRA and ATM grant programs, the amount of unused recharge credits was quantified in Districts 1 and 64. The project team used augmentation plan accounting data for 2009 and 2010 for this assessment. In addition the project team used data from a previous Colorado Corn Growers Association (CCGA) ATM project that quantified 2008 unused recharge credits. Results of the quantification are summarized below:

- Amounts of unused recharge credit vary annually. Substantially more unused recharge credits occurred in 2009 and 2010 than in 2008.
- The amount of unused recharge credit appears to be less variable in District 64. Annual amounts of unused recharge credits in District 64 varied from 5,000 to 10,000 acre-feet.

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- Annual amounts of unused recharge credit appear to be more variable in District 1 than in District 64. Annual amounts of unused recharge credits varied from 6,000 acre-feet in 2008 up to 50,000 acre-feet in 2010.
 - 2008 through 2010 were good years for recharge. It is likely that, during drought, unused recharge credits will be much reduced, if not eliminated.
- d) Information regarding the location of the new water use(s) that will be served by transferred water including the estimated number of users/taps and/or uses served.

At this time, specific information regarding the identity and location of new water use(s) is unknown. However, multiple potential end users have been identified and have shown interest in participating as a part of the ongoing feasibility efforts of this overall project. These potential end users include but are not limited to: 1) existing local agricultural water users in Water District 1 and 64, 2) existing (and potentially new) local municipal and industrial water users in Water Districts 1 and 64, 3) existing municipal and industrial water users within South Platte water districts along the metropolitan front range, 4) existing agricultural water users within other South Platte water districts, and 5) environmental and recreational water users in Water Districts 1 and 64.

During this implementation project, specific end uses (and end users) will be identified. It is anticipated that the initial end uses will be primarily for augmentation and recharge by existing agricultural and municipal/industrial augmentation plans in Districts 1 and 64.

- e) Socio-economic characteristics of the area such as population, employment and land use.

The socio-economic characteristics in Water Districts 1 and 64 primarily consist of small rural communities with agriculture (crop production, livestock, dairy, greenhouses, etc.) serving as the base for the local economies. Mid-sized municipalities such as Sterling and Ft. Morgan (which each have an approximate population of 12,000 to 13,000 residents) are located within the project area. In addition numerous smaller towns are located in Water Districts 1 and 64. Other commerce and industry exists within the project area, including but not limited to: coal fired and wind powered electricity generation, ethanol production, State of Colorado correctional facilities, and local construction. In addition, amenities and enhancements such as river and floodplain lands, wetlands, reservoirs, streams, recharge facilities and upland habitat within Weld, Morgan, Logan, Washington and Sedgwick counties provide multiple benefits and opportunities for hunting, fishing, boating, camping, and wildlife viewing in addition to other environmental and recreational values.

3. Description of the Alternative Water Transfer Method

Please describe the type(s) of water transfers that will be examined/utilized (i.e., conceived transfer methods include, but are not limited to: 1) interruptible water supply agreements; 2) long-term agricultural land fallowing; 3) water banks; 4) reduced consumptive use through efficiency or cropping changes while maintaining historic return flows; and 5) purchase by end users with leaseback under defined conditions). In addition, please describe how the transferable consumptive use will be calculated and quantified, and how return flow patterns will be addressed/maintained.

In the near-term, the primary alternative water transfer method for implementation phase of the project is the utilization of unused augmentation credits generated through recharge activities. The NECWC considers unused augmentation credits as an attractive alternative water source, because no agricultural ground needs to be fallowed to generate the water supply.

Unused augmentation credits occur primarily for two reasons. First, water rights for recharge are relatively junior. Because junior recharge rights will only be in priority intermittently or in short windows of time, augmentation plan operators must recharge as much as possible when they are in priority, because they do not know when they will be able to recharge again. In addition, the timing of when the recharge rights are in priority periodically does not match the timing of when water is needed from the wells to irrigate crops. Second, locations of recharge ponds and other recharge facilities relative to irrigation wells also present timing difficulties for augmentation plans. For example, if recharge ponds are located closer to the river than the irrigation wells in an augmentation plan, the recharge credits reach the river more quickly than the depletions. These variabilities in recharge mean that it is impossible to divert and recharge only the amount of water ultimately needed to offset the well depletions. As a result, most augmentation plans will have some extra recharge credits from time to time so that they can provide adequate supplies to cover depletions year round.

When added up, the many augmentation plans between Kersey and the stateline can periodically generate significant amounts of excess recharge credits, usually in normal to wetter years. Also, this excess may go away in drier years. There is a need to find a way to make good use of these excess recharge credits when they do occur, since they are a necessary and unavoidable result of running the existing augmentation plans. This is one of the primary goals of the group trying to organize the Northeast Colorado Water Cooperative.

In the mid to long term, reliable senior water supplies will likely be needed to “firm up” the water supplies available to meet water demands. The NECWC has considered leasing via rotational fallowing programs and interruptible supply agreements as ideal methods for obtaining firming supplies. Research tasks under the ATM grant previously awarded to the LSPWCD examined the amount of consumptive use that could potentially be available via alternative transfer and also investigated various economic issues concerning alternative transfer methods.

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4. Program/Project Eligibility

Please describe how the proposed program/project meets each of the following eligibility requirements (please see Criteria and Guidelines for additional information regarding the alternative water transfer methods/strategies that qualify for funding). Note: If these requirements are addressed in other parts of the application you may simply reference the applicable section(s).

- a) A description of how, if implemented, the proposed program/project will protect property and water rights.

Substantial legal and engineering work has been and will be done to analyze potential water rights issues with both third party water rights holders in the South Platte Basin and potential members of a new water cooperative organization. Existing decree terms and conditions as well as existing water law will be followed and careful consideration for potential future junior water rights filings, exchange filings and change of use filings will be taken to avoid injury to existing water rights. In addition, this project and the potential water cooperative organization remain committed to making such an organization and leasing program strictly voluntary with open participation, making it a separate option to the purchase and dry-up of irrigated farm ground. Irrigators will continue to have the ability to sell their water rights, hereby protecting their property rights into the future.

Finally, a portion of the requested funds will be used to pay for meetings with potential Water Court objectors. During these meetings, the NECWC and potential objectors will have an opportunity to clearly communicate the intentions and plans for the cooperative and collaborate outside of Water Court proceedings on solutions to potential issues that objectors may have with the cooperative.

- b) Identified group(s) of agricultural users that are or may be willing to transfer a portion of their water and identified entity(s), group(s) or area(s) where the transferred water could or would be put to the new use and a description of the new use.

Table 1 in Part A, Section 4 (c) above lists entities that may be willing to lease/transfer a portion of their water as well as entities that could use the transferred water. In many cases the entities listed could both lease/transfer water and receive water depending on a variety of conditions including but not limited to: hydrologic, financial /economic, physical location, infrastructure availability and other conditions. In addition to the entities listed in Table 1, other augmentation plans in Districts 1 and 64 may participate in the cooperative either in the initial implementation stage or once the cooperative is established.

- c) The program/project must at a minimum conceptually describe the technical, institutional, and legal elements of the water transfer. Grant monies may be used to address one or more of these elements. If grant monies are not requested for all three elements, the grant applicant must describe how the applicant has or intends to address the elements, which are not included in the grant request, through other efforts.

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Technical, institutional and legal elements of alternative methods of agricultural water transfers will all be analyzed and studied as part of this implementation development of the NECWC. These elements will be studied in detail via the implementation of the NECWC and will be described in the Engineering Report and Project Completion Report. All three of these elements are more thoroughly described in Part B, Section 1 and the attached Statement and Scope of Work.

- d) If grant monies are proposed for use for legal assistance then the use of those funds shall be oriented toward advancing the knowledge of alternative agricultural water transfer methods and techniques; not for preparation of a specific water court case. The total requested funds for legal assistance shall not exceed 40 percent of the total grant request. In addition, grant monies proposed for use for legal assistance must be used to collaboratively address issues and concerns related to agricultural water transfer. Funds shall not be used to solely advance the cause of the project proponents.

A portion (34%) of the grant monies in this application are proposed for legal assistance and do not exceed 40% of the total grant request (See attached Budget). These legal funds will specifically be oriented towards researching water rights issues associated with the NECWC, implementing the NECWC organization, and collaborating with potential objectors in identifying and resolving potential issues. Legal funds will not be used for preparation of a specific water court case or to solely advance the cause of the project proponents (See attached Statement and Scope of Work).

- e) A minimum of a 10 percent cash match of total project cost (past expenditures and “in kind” can not be counted toward the 10 percent match).

A minimum of 10% cash match of the total project cost is committed for this project (See Table 1 in Part A, Section 4 (c) and attached Budget).

5. Program/Project Evaluation Criteria

The following grant evaluation criteria will be used by the CWCB to evaluate and make recommendations to fund, partially fund or not fund a grant application. The criteria are aimed at advancing alternative transfer methods from the literature and studies to actual on the ground projects/programs that provide reliable water supply and sustain key elements of the agricultural area from which the water is transferred. The applicant should fully address and explain in detail in the application how, and the extent to which, the proposed project/program meets each of the criteria. However, it should be noted that the project does not have to meet all of the criteria to be eligible to receive funding and the criteria below are not listed in any order of important or priority.

- a. The proposed project/program builds upon the work of former alternative water transfer methods efforts and addresses key areas that have been identified. For more detailed information on this work, please refer to the draft report: *Alternative Agricultural Water Transfer Methods Grant Program Summary and Status Update*, November 2012.

This proposed project builds off of various portions of the *Development of Practical Alternative Agricultural Water Transfers Measures for Preservation of Colorado Irrigated Agriculture* grant received by the Colorado Corn Growers Association, the previously-described Water Supply Reserve Account grant that funded the organizational analysis, and the previously-described Alternative Transfer Methods grant that evaluated operational strategies. During the implementation of the NECWC, issues identified during previous studies of the cooperative will need to be addressed for the cooperative to be successful.

- b. The proposed project addresses one or more key recommendation(s) in the report: *Alternative Agricultural Water Transfer Methods Grant Program Summary and Status Update*, November 2012.

Implementation of the NECWC will put into practice at least three of the recommendations in the November 2012 summary report described above.

- *Municipal water systems and ditches are unique, and the CWCB should continue promoting agreements between agriculture and municipalities.* The cooperative will be open to both agricultural water users and municipal water providers. The organization will foster the maximization of beneficial use of water among the membership and can also facilitate agreements with water providers/users who are not members.
 - *CWCB should support demonstration/pilot projects.* The project described in this application is an implementation of the NECWC and is more than a demonstration/pilot project.
 - *The South Platte Roundtable could address important issues via infrastructure sharing.* An important goal of the NECWC is to work with owners of existing infrastructure and to use that infrastructure to retime excess supplies so that they are available during times of need.
- c. Preference will be given to projects that provide additional matching resources in the form of cash, past expenditures and in-kind contributions that are in addition to the required 10% cash match.

Total cash match for this grant is \$22,100 which equals 10% of the total grant work of \$221,000 (\$198,900 from CWCB). In addition, previous in-kind contributions within three months of this application include participation in Grant Review Committee meetings by several of the individuals listed in Table 2, outreach to potential members, development of a water accounting system/framework for the cooperative, and general promotion of the proposed cooperative. These in-kind contributions have not been quantified for the purposes of this application, but have been an ongoing effort by Grant Review Committee members. Finally, Grant Review Committee members have given a substantial amount of time and effort over the last two years to collaborate on organizational concepts, structures, and issues; operational considerations; etc.

- d. The proposed project/program has the ability/potential to produce a reliable water supply that can be administered by the State of Colorado, Division of Water Resources.

Analyses to quantify annual amounts of unused augmentation credits showed that approximately 5,000 to 10,000 acre-feet occurred in District 64 from 2008 to 2010. In District 1, amounts of unused augmentation credits varied from 6,000 to 50,000 acre-feet over that same timeframe. Annual volumes of available unused augmentation credits will be variable into the future, but the NECWC is currently identifying infrastructure (recharge facilities, storage reservoirs, etc.) that can be used to retine or store supplies for use during times of scarcity. In addition, the NECWC is evaluating the development of unappropriated water (i.e. new junior water rights). Finally, an additional potential supply during dry years may be leasing programs with senior water rights in which firming supplies could periodically be made available via rotational fallowing or interruptible supply programs.

All of the above methods of using or obtaining water supplies are familiar to and can be administered by the Division of Water Resources. Also, note that personnel from the Colorado Division of Water Resources (See Table 2 in Part A, Section 4 c) have interacted with the NECWC Grant Review Committee and are supportive of the concept of this project at this time.

- e. The proposed project/program produces information that is transferable and transparent to other users and other areas of the state (i.e., would provide an example “template” or roadmap to others wishing to explore alternate transfer methods).

All information produced from this project would be transferrable and transparent to the other water users in the State. The information could be used as a template for interested parties and will be analyzed such that either a large or small cooperative effort could be organized to implement alternative transfer methods.

- f. The proposed project/program addresses key water needs identified in SWSI 2010 or as identified in a basin’s needs assessment.

The water activities associated with this project primarily help address agricultural, municipal and industrial needs within the South Platte Basin Roundtable area and potentially the Metro Roundtable area. In addition, environmental and recreational enhancements will be developed thru water activities associated with this project. For example, Ducks Unlimited has been very active in the South Platte River basin developing wetlands that have a dual purpose of habitat enhancement and alluvial aquifer recharge. These types of facilities could be very useful to the NECWC in retiming and managing water. It is anticipated that mutually beneficial projects could be developed with Ducks Unlimited or other conservation groups for habitat enhancement, recreation (i.e. water fowl hunting), and water management.

- g. The proposed project/program advances the preservation of high value agricultural lands. Value can be viewed as: the value of crops produced, the value the agriculture provides to the local community, and the value the agricultural area provides for open space and wildlife habitat.

While this project does not aim to specifically preserve high value agricultural lands it does analyze costs, benefits and risks to agricultural water users. Members of Northeast Colorado Water Cooperative Grant Review Committee believe that irrigated farmers within the South Platte Basin are excellent stewards of the land and that by presenting them with risk analysis, lease options and other information they will make decisions in their best interest which often involves the preservation of high value agricultural land. In addition, the protection of existing water rights and return flow patterns of the South Platte River valley may lend itself to provide additional areas of open space and wildlife habitat through the creation of wetlands, recharge basins and small storage reservoirs. Also, as described previously, better utilization of unused augmentation credits will maximize the use of available water without the need to fallow or otherwise reduce consumptive use on high value agricultural lands to make water available for other uses.

- h. The proposed project/program addresses water quality, or provides other environmental benefits to rivers, streams and wetlands.

This project does not specifically address water quality issues in a direct manner. However indirectly, the use of exchanges into recharge basins and upstream storage coupled with the additional retiming of excess water lower on the river during higher flows will help with potential water quality issues. Additional areas of open space, wetlands and wildlife habitat may also be created as described above in section 5 (f) which add both environmental and water quality benefits.

- i. The proposed project/program increases our understanding of and quantifies program/project costs. This could include: institutional, legal, technical costs, and third party impacts.

The project team has and continues to evaluate potential operational costs for the NECWC during the current planning phase. Cost estimation and monitoring will continue as implementation proceeds. Real costs for implementing the NECWC will be quantified and documented during the course of this project.

- j. The proposed project/program does not adversely affect access to other sources of water (not subject to/participating in the program) where owners of these water rights may wish to pursue traditional transfer of their rights to other users.

The proposed project/program aims to provide options to both water rights owners and potential end users of water in the form of alternative agriculture water transfers (See Statement and Scope of Work). The proposed project / program if implemented will be strictly voluntary allowing others to pursue traditional transfers of their rights if they so choose. In addition, the proposed project /

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program will only rely on sources of water committed to the NECWC and will maintain historic return flow patterns so as to not adversely affect other sources of water in the basin.

- k. The proposed project/program provides a perpetual water supply for the new and/or alternate use and preserves agricultural production and/or helps sustain the area's economy from which the transfer is occurring.

The proposed project/program aims to provide a long term water supply for new and existing users that have inadequate water supplies. A large component of NECWC implementation is to assess the reliability of water for new and existing water uses from a potential Water Cooperative organization (See Statement and Scope of Work). Length of water supply commitments, along with water reliability, accessibility and potential water yield improvements will be considered as the NECWC is implemented. A large goal of the NECWC is to develop strategies for providing long term alternatives to traditional water transfer methods for local agricultural producers. If successful, the Water Cooperative organization may help in sustaining local / rural economies in Water Districts 1 and 64.

- l. The quantity of water produced by the proposed project/program. Preference will be given to programs that can address larger water supply needs.

See Part B, Section 5 d).

In addition, the overall water produced by the NECWC to address water supply needs will be dependent on the number of organizations that participate. However, with such a large geographic area and portfolio of water rights potentially interested in participating, the ability of the NECWC to supply larger quantities of long term water supply to various entities is very likely.

- m. Applicants are encouraged to develop projects demonstrating participation and/or support from a diverse set of stakeholders and interests.

Table 2 (Part A, Section 4c) lists various organizations which have participated and support the alternative transfer method development with the NECWC and contributed past cash funding, past in-kind and consulting services, and/or which are projected to contribute future funding, and future in-kind or consulting services towards the advancement of the proposed Northeast Colorado Water Cooperative.

6. Statement of Work

Provide the proposed statement of work. On the following page there is an example format for the statement of work. You can use the example format or your own format, provided that comparable information is included. The statement of work should outline by task how the proposed program/project will be accomplished. It is important that the statement of work detail the specific

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steps, activities/procedures that will be followed to accomplish each individual task and the overall program/project and the specific products/deliverables that will be accomplished. The statement of work must include but not be limited to: task description, key personnel, budget, schedule and deliverables and the final report/project documentation upon completion of the water activity.

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.

Please provide a detailed statement of work using the following template. Additional sections or modifications may be included as necessary. Please define all acronyms. If a grant is awarded an independent statement of work document will be required with correct page numbers.

Statement of Work

WATER ACTIVITY NAME – Implementation of the Northeast Colorado Water Cooperative

GRANT RECIPIENT – Lower South Platte Water Conservancy District

FUNDING SOURCE - The Alternative Agricultural Water Transfer Methods Competitive Grant Program

INTRODUCTION AND BACKGROUND

Provide a brief description of the project. (Please limit to no more than 200 words; this will be used to inform reviewers and the public about your proposal)

The Northeast Colorado Water Cooperative (NECWC), formerly known as the Lower South Platte Water Cooperative, has been researched over the last few years with support from the CWCB and numerous stakeholders in the lower South Platte River basin. The NECWC will be an organization that will allow members to market water supplies to other members and to other end users. The research has been conducted by contractors and a Grant Review Committee (GRC), which consists of ten individuals (five from District 1 and five from District 64). The GRC was appointed to oversee work done by contractors and to collaborate and provide input on organizational and operational plans for the cooperative. The GRC and contractors have been meeting approximately monthly to discuss issues, check progress, etc.

Previous and ongoing research activities can be categorized into organizational and operational analysis and planning. The organizational planning is being conducted under a Water Supply Reserve Account grant, and the operational planning is being conducted under a previous Alternative Transfer Methods grant. Research activities conducted under the grants for the organizational and operational plans are summarized below:

Organizational Plan

- Developed general organizational concepts, mission statement, etc. Shared this information with stakeholders and sought input in February, 2012.
- Researched various organizational structures and found that a cooperative seems to be the best fit for the criteria and organizational characteristics developed by stakeholders. Currently developing draft bylaws, articles of incorporation, etc. to present to stakeholders.
- Researching water law issues pertinent to operations of the cooperative.

Operational Plan

- Quantified various types of potential water supplies including unused recharge credits, available unappropriated supplies, and firming supplies that might periodically be leased from senior water right holders.
- Quantified many water demands and are continuing this process. Water needs have varied. Some users need water year in and year out, but many water users expressed a need for supply primarily in drought years.
- Updated tools for assessing exchange and free river conditions.
- Developed an operational planning tool that incorporates supply, demand, and delivery information. The planning tool is being used to evaluate different hydrologic scenarios and operational strategies to successfully meet demands under the scenarios.
- Working on developing operational scenarios.
- Conducting economic analyses of alternative transfers.

OBJECTIVES

List the objectives of the project

The objectives of this work are to conduct engineering, develop and implement a water accounting system, and do other tasks necessary to implement the NECWC in 2014. The work consists of four general phases as described below:

- **Engineering:** The objective of the engineering phase will be to evaluate the supplies, demands, and delivery strategies for the specific initial participants in the NECWC. The work will culminate in an Engineering Report that can be used to support a Substitute Water Supply Plan (SWSP) and Water Court application for the cooperative.
- **Accounting:** The objective of the accounting phase will be to refine and implement an accounting system to track the movement of water among cooperative members. Work on the accounting system will involve acquisition and input of necessary data and information from participating augmentation plans, ditch companies, water providers, etc. and testing of the accounting system. The project team will consult with the Division Engineer to ensure that the accounting protocols are appropriate. Grant funds are also being sought to cover the costs of conducting the actual water accounting for the first year of cooperative operation.
- **Meetings:** The project team will meet multiple times with organizations who would likely participate as opposers in Water Court proceedings. The objectives of the meetings will be to identify potential concerns that opposers may have with the cooperative and to collaborate on potential solutions to their concerns prior to initiating the Water Court process. Funds will also be sought to compensate opposers' water attorneys and engineers for their time at meetings and for limited time outside of meetings to review documents, prepare for meetings, etc.

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- **Project Reports:** An Engineering Report will be written to support a Water Court application and SWSP for the cooperative. In addition, a project completion report will be written and submitted to the CWCB.

TASKS

Provide a detailed description of each task using the following format

TASK 1 – Engineering Analysis

Description of Task

Under this task, water supplies, demands, and methods of delivery will be closely evaluated for the specific participants in the NECWC. Supplies, demands, and delivery methods were evaluated from a general perspective under previous grant work for a wide variety of potential participants. It is anticipated that a subset of the potential pool of participants will participate in cooperative implementation, and the engineering work will focus on operations for the specific, initial participants.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

Supply Evaluation

1. For augmentation plans that are included in the cooperative, develop the following:
 - a. Mapping of locations where participating augmentation plans' unused recharge credits accrue to the South Platte River. This mapping will be the basis for exchange "from" points for each augmentation plan. The mapping will be developed collaboratively with member augmentation plans and their engineers. This was done at a more general level under the existing WSRA grant, but specific points (i.e. legal locations) will need to be identified. In addition, some plans may have more than one exchange "from" point if they fall within different administrative reaches.
 - b. The amount of unused recharge credits for 2011 and 2012 will be estimated for member augmentation plans.
 - c. For each member augmentation plan, a brief narrative will be written describing available supplies, locations where water is available, and operational considerations for moving water. The narrative will be brief and will be incorporated into the Engineering Report for cooperative implementation. This would first be a draft document that can be reviewed,

edited, and approved by each member augmentation plan and will help everyone get on the same page with operations.

2. Meet with member augmentation plans to discuss the cooperative, potential operations, etc.
3. Refine the documents previously developed.

Demand Evaluation

1. For end user cooperative members, identify the following. Meetings and phone calls will be held with end user members to obtain this data. Note that sometimes, members may be water suppliers, and sometimes those same members may be end users.
 - a. Amount and timing of demand.
 - b. Specific location(s) where water should be delivered.
 - c. Limitations to delivery (i.e. inlet or canal capacity limitations, etc.).
2. Develop mapping and a written description of the above that can be used in the engineering report.

Delivery

1. Identify the exchange capacity needed to move water among the specific, initial members.
2. Use the exchange tool that was developed and updated under previous ATM grant projects to evaluate exchange capacity among members.
3. Develop an exchange matrix for use in the Engineering Report. The exchange matrix will identify all exchange from and exchange to locations and the exchange amounts needed.
4. Quantify transit losses between locations of unused recharge credits and points of delivery if end-user members are downstream of member augmentation plans.
5. If the NECWC is going to deliver water to a recharge pond to retime supplies prior to delivering to an end user member, then need to do the following. Assume that if an end user member is taking delivery of water into one of their own recharge ponds, then they will be responsible for lagging.
 - a. Develop parameters and terms and conditions for calculating evaporative losses from ditches (if water is carried through a ditch prior to delivery to the pond) and from standing water in recharge ponds.
 - b. Conduct a lagging analysis for recharge ponds and ditch reaches (if applicable) where seepage occurs.
 - c. The above analysis should be consistent with existing decrees if recharge ponds and ditch reaches are already included in a decree.
6. Results of Task 3 collaboration meetings with objectors' water attorneys and engineers will be evaluated and incorporated into the supply, demand, and delivery analyses as appropriate.

Deliverable

Deliverables associated with this task are as follows:

- Written descriptions of water supplies, demands, etc.; data sets; and other information from each member organization that will be used in the Engineering Report and the Project Completion Report to the CWCB.

TASK 2 – Accounting System

Description of Task

Under this task, a water accounting system will be refined, tested and implemented. The framework for the water accounting system is currently under development. Under the implementation project, the accounting system will need to be customized to reflect the actual NECWC membership. The customized system will be tested and will be reviewed by the Division Engineer. In addition, the system will be implemented for the first year of NECWC operation.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. Customize the accounting system currently under development to include the specific, initial member augmentation plans and end users, exchange reaches, retiming or storage infrastructure, etc.
2. Develop necessary tools to calculate unused recharge credit amounts available to market to other member end users. In some cases, it is likely that augmentation plans will prefer to supply limited information focused only on the amount of water available to go to other end uses. Other augmentation plans may provide additional information to the NECWC so that the cooperative can make an independent and timely evaluation of unused recharge credit. For plans that choose to provide additional information to the NECWC, the following tasks will be conducted to incorporate their augmentation plan data into the proposed accounting system:
 - a. Work with member augmentation plans to obtain the necessary information to develop Unit Response Functions (URFs) for wells and recharge facilities included in member plans. Information will include AWAS files, aquifer parameters or lagging characteristics specified in member decrees, and other data that member augmentation plans use to conduct lagging of depletions and accretions for their accounting.
 - b. Develop URFs for wells and recharge facilities included in member plans. Note that some member augmentation plans may already have decreed URFs. In these instances, the decreed URFs will be used. In other augmentation plans, aquifer characteristics and lagging

parameters may be included in decrees. In those plans, the decreed data and information will be used to develop URFs.

- c. Create strategies and processes to resolve potential accounting issues such as the following:
 - i. The accounting system will use historical net depletion and recharge data from previous decree accounting up to the most recent month and the most recent decree projections of future pumping to estimate the amount of available unused recharge accretions. The NECWC will need to ensure that estimates of available unused recharge accretions are calculated in a manner consistent with member augmentation plans.
 - ii. It is likely that member augmentation plans will need to develop uniform data sets in their monthly accounting that can be readily imported into the cooperative's accounting system. This data may come from the "DWR Sheet" that will be included in augmentation plan accounting or it could be a newly developed sheet for cooperative purposes. Data sets will likely include tables of monthly historical net depletion and recharge amounts and projected net pumping amounts. The cooperative will need to work with member augmentation plans to develop the uniform data sets.
- d. Test the accounting system using prior years' accounting data from a relatively simple augmentation plan to ensure that the cooperative's draft accounting system matches previously submitted accounting results.
- e. Test methods for importing necessary pumping and recharge data from member augmentation plans to do estimates of available, unused recharge accretions.
- f. Develop method for reducing gross recharge deliveries from member plans to net recharge amounts that account for evaporative losses, if not already decreed.
3. Input data into the accounting system for recharge facilities that the cooperative will use to retime unused recharge credits.
4. Incorporate the ability to project future accretions from retimed, unused recharge credits into the accounting system.
5. Develop a projection tool component that can be used for long term planning and that reflects conservative estimates of unused recharge credits, demands, accretions from previously-retimed supplies, etc.
6. Meet with Division Engineer staff to review the draft proposed accounting system and to identify potential differences that might arise with the AAADAT tool. Collaborate on solutions to potential differences.
7. Refine the accounting system based on Division Engineer input.

Deliverable

Deliverables associated with this task are as follows:

- An accounting system that is customized based on specific NECWC membership and ready for implementation.
- Monthly reports of water accounting that will be submitted to the Division Engineer.

TASK 3 – Meetings with Potential Objectors

Description of Task

Meetings with potential objectors (water attorneys and engineers) will be useful in identifying and resolving potential issues with the NECWC outside of the Water Court process. It is anticipated that discussions at the meetings will cover objector concerns over both long term implementation of the cooperative and the near term implementation project. Under this task, five meetings will be held with objectors.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. Conduct meetings with potential objectors. It is assumed that five meetings will be held with four organizations who would likely object to the NECWC in Water Court. Each meeting will be held with all four organizations collectively (in other words, meetings will not be held with individual objector organizations). During the course of these meetings, engineering and legal support will be needed to:
 - a. Describe current plans for short and long term implementation.
 - b. Evaluate objector concerns and negotiate operational strategies or limitations to alleviate concerns.
 - c. Prepare draft documents for the meetings (i.e. draft terms and conditions, operational strategies, engineering analyses, etc.).
2. The project team assumes that the meetings will be conducted in two general phases. The first phase will span 2 meetings, will be informational, and will result in the identification of potential issues. The second phase will span 3 meetings and will focus on the resolution of issues.
3. Assume 80 hours each for NECWC water attorney and engineer to prepare for and participate in meetings and to conduct follow up analyses or calls/discussions with the NECWC Board, opposers' water attorneys/engineers, Division Engineer, etc.

Deliverable

Deliverables associated with this task are as follows:

- Meeting notes, handouts, etc.
- Information that will be incorporated into the final report including a listing of potential issues and methods for resolving potential issues.

TASK 4 – Project Reports

Description of Task

An Engineering Report and a Project Completion Report for the CWCB will be written, reviewed, and finalized under this task.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. Engineering Report. An Engineering Report will be developed to support a SWSP and Water Court application for the NECWC. The Engineering Report will document all of the pertinent studies and work products described above, and it will include proposed terms and conditions for operations of the cooperative.
 - a. A preliminary Engineering Report will be developed and submitted to the Cooperative board for review.
 - b. The Engineering Report will be completed.
2. Project Completion Report. The Project Completion Report will document the work done under the ATM grant for implementation of the NECWC and will describe engineering and legal “lessons learned” during implementation. It will also describe the process used and the results of the discussions with potential objectors. In addition, it will include recommendations for future work.
 - a. A draft Project Completion Report will be developed and submitted to the Cooperative board for review.
 - b. Comments on the draft Project Completion Report will be considered.
 - c. A final Project Completion Report will be written and will be submitted to the CWCB.

Deliverable

Deliverables associated with this task are as follows:

- An Engineering Report
- A Project Completion Report

TASK 5 – Meetings with the NECWC Board of Directors

Description of Task

Monthly meetings with the NECWC Board of Directors will be held to update and collaborate on progress of various technical tasks, discussions with objectors, etc. Similar meetings have been held throughout the current WSRA and ATM grant projects for the cooperative to update the GRC on progress and to collaborate on the development of organizational and operational plans. Funding sought under this grant application will support the participation of NECWC contractors (engineers and attorneys) at these meetings.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. The Cooperative water attorneys and engineers will participate in monthly update meetings with the Cooperative Board of Directors. It was assumed that this project will last two years and that 24 meetings will be included in this task.

Deliverable

Deliverables associated with this task are as follows:

- Meeting notes, handouts, etc.

TASK 6 – Compensation for Attorneys/Engineers in Meetings with Potential Objectors

Description of Task

Funding under Task 6 will help compensate potential objectors' water attorneys and engineers and will potentially lead to more active engagement of potentially opposing parties. Opposers' water attorneys and engineers will be given the option of accessing these funds for compensation related to attendance at Task 3 meetings and for a limited amount of time outside of meetings to review documents, collaborate on issues, etc. \$25,000 is included in the proposed budget for this purpose.

Matching funds for this task have yet to be confirmed (as of the date of this grant application). In the event that matching funds to support this task are not obtained, this task could be eliminated or could be reduced commensurate with the level of matching and grant funds available to support the task.

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Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. The cooperative's Grant Review Committee will inform objectors' water attorneys and engineers that funds are available to compensate them for their time to participate in Task 3.
2. Objectors who wish to receive compensation will make a request to the Grant Review Committee. The committee will determine how to allocate the \$25,000 based on the amounts requested by various objectors.

Deliverable

No specific deliverables are associated with this task.

TASK 7 – Startup Costs

Description of Task

Funding under Task 7 will provide assistance to the cooperative to implement and test the water accounting system, conduct financial accounting and cooperative management activities, and to conduct legal work to actually form the cooperative.

Funds to assist in water/financial accounting and cooperative management activities will be spent through the first year of actual operation of the cooperative. The NECWC will hire a general manager or water accountant to conduct the water and financial accounting, refine the water accounting system, and conduct general cooperative management activities. The funds requested in this task will help defray the cost of these services. \$30,500 is being requested to help fund services related to the first year of cooperative implementation.

Other startup costs include legal assistance in doing the work to actually form the cooperative. The Grant Review Committee has previously been working with a cooperative attorney to develop draft cooperative bylaws, membership agreements, etc. Funding under Task 7 would assist in compensating the cooperative attorney for services related to finalizing documents, forming the cooperative, etc. \$13,000 is being requested for this purpose.

Matching funds for this task have yet to be confirmed (as of the date of this grant application). In the event that matching funds to support this task are not obtained, this task could be eliminated or could be reduced commensurate with the level of matching and grant funds available to support the task.

Method/Procedure

Specific work items to be conducted and proposed methods to be used under this task are described below.

1. Water accounting activities may include the following:
 - a. Conduct monthly water accounting and submitting to the Division Engineer.
 - b. Work with member augmentation plans to verify/refine accounting.
 - c. Conduct additional testing of the accounting system as needs arise.
 - d. Work with the Division Engineer to resolve potential issues with the AAADAT tool that is currently being developed by DWR.
 - e. Conduct financial accounting.
 - f. Work with cooperative members to address issues.
 - g. General management activities as directed by the NECWC Board of Directors.
2. Legal activities associated with cooperative formation include the following:
 - a. Finalize cooperative articles of incorporation, bylaws, membership agreements, water lease contracts and related documents.
 - b. Prepare and file documents associated with formation of the cooperative with the Colorado Secretary of State and obtain federal and state identification numbers.
 - c. Prepare organizational minutes for the first member's meeting and board of directors meeting; prepare document templates for future board and member meetings and educate the board of directors about cooperative management.
 - d. Assist with creating an accounting system to track member patronage of the cooperative, with coordination from a cooperative accountant.
 - e. Assist with obtaining proper insurance coverage such as workers compensation or unemployment insurance, as well as general liability and directors and officers coverage.

Deliverable

Deliverables associated with this task are as follows:

- Monthly water accounting submittals
- Revised versions of the accounting system
- Final versions of cooperative bylaws, membership agreements, organizational minutes, financial accounting system, etc.

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.

BUDGET

Provide a detailed budget by task including number of hours and rates for labor and unit costs for other direct costs (i.e. mileage, \$/unit of material for construction, etc.). A detailed and perfectly balanced budget that shows all costs is required for the State's contracting and purchase order processes. Sample budget tables are provided below. Please note that these budget tables are examples and will need to be adapted to fit each individual application. Tasks should correspond to the tasks described above.

[SEE ATTACHED BUDGET TABLES](#)

SCHEDULE

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. Sample schedules are provided below. Please note that these schedules are examples and will need to be adapted to fit each individual application.

[SEE ATTACHED SCHEDULE](#)

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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 the public and help promote the development of alternative agricultural transfer methods.

Additional Information – If you would like to add any additional pertinent information please feel free to do so here.

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

Signature of Applicant: *Joe Frank*

Print Applicant's Name: Joe Frank, Lower South Platte Water Conservancy District

Project Title: Northeast Colorado Water Cooperative Implementation Project

Return this application to:

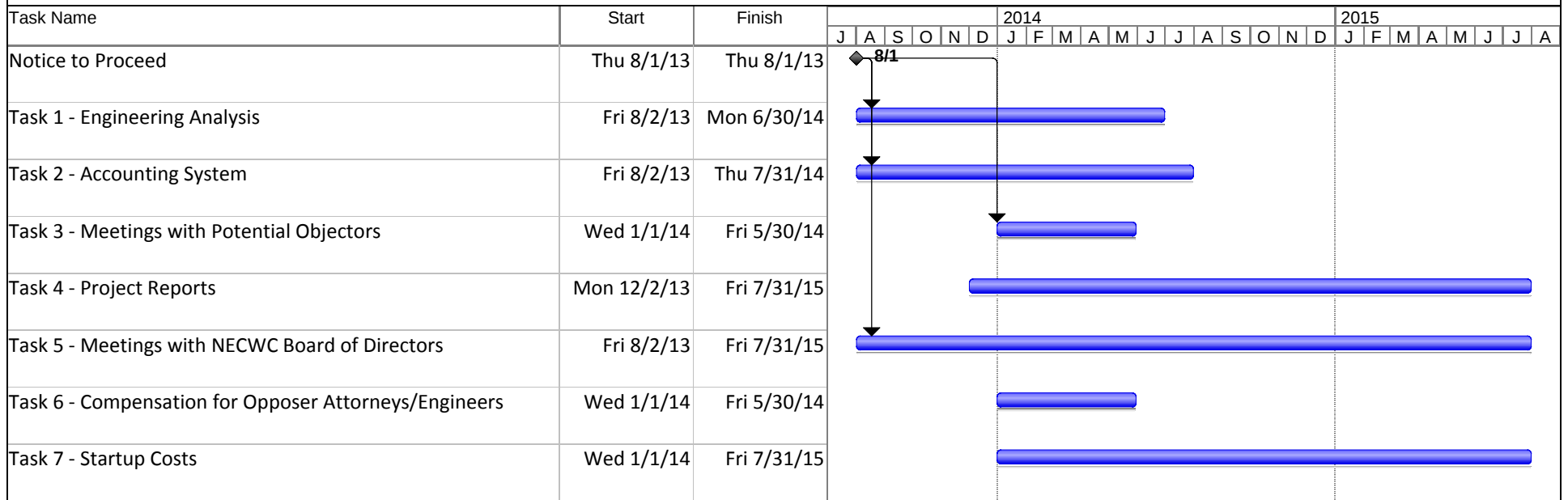
Mr. Todd Doherty
Colorado Water Conservation Board
Water Supply Planning Section
1580 Logan Street, Suite 200
Denver, CO 80203
Todd.Doherty@state.co.us

Total Costs				
	Labor	Other Direct Costs	Matching Funds (If Applicable)	Total Project Costs
Task 1 - Engineering Analysis	\$33,941	\$503.75		\$34,445
Task 2 - Accounting System	\$24,966	\$0.00		\$24,966
Task 3 - Meetings with Potential Objectors	\$37,282	\$904.50		\$38,186
Task 4 - Project Reports	\$21,230	\$50.00		\$21,280
Task 5 - Meetings with NECWC Board of Directors	\$31,929	\$1,695.00		\$33,624
Task 6 - Compensation for Attorneys/Engineers in Meetings with Potential Objectors	\$0	\$25,000.00		\$25,000
Task 7 - Startup Costs	\$43,500	\$0.00		\$43,500
In-Kind Contributions				
Total Costs:	\$192,847	\$28,153.25		\$221,000

Project Personnel:	Engineering Staff					Legal Staff Water		Legal Staff Cooperatives				
	Project Manager	Senior Project Engineer	Mid-level Project Engineer	Junior Project Engineer	Project Assistant	Senior Attorney	Staff Attorney	Senior Attorney	Independent Water Accountant	NECWC Manager or Accountant		Total Costs
Hourly Rate:	\$122	\$167	\$122	\$104	\$87	\$275	\$190	\$400	\$100	\$25		
Task 1 - Engineering Analysis	8	48	72	100	12	10	10					\$33,941
Task 2 - Accounting System		12		2		10			200			\$24,966
Task 3 - Meetings with Potential Objectors		80				80	10					\$37,282
Task 4 - Project Reports		40	30	30		24	6					\$21,230
Task 5 - Meetings with NECWC Board of Directors		48				80	10					\$31,929
Task 6 - Compensation for Attorneys/Engineers in Meetings with Potential Objectors												\$0
Task 7 - Startup Costs								32.5		1220		\$43,500
Total Hours:	8	228	102	132	12	204	36	32.5	200	1220		2174.5
Cost:	\$979	\$38,138	\$12,486	\$13,757	\$1,047	\$56,100	\$6,840	\$13,000	\$20,000	\$30,500		\$192,847

Other Direct Costs							
Item:	Copies	Materials	Equipment/ Supplies	Mileage	Compensation for Opposer Attorneys and Engineers		Total
Units:	No.			Miles	L.S.		
Unit Cost:	\$0.10	L.S.	L.S.	\$0.57			
Task 1 - Engineering Analysis	800			750			\$503.75
Task 2 - Accounting System							\$0.00
Task 3 - Meetings with Potential Objectors	570			1500			\$904.50
Task 4 - Project Reports	500						\$50.00
Task 5 - Meetings with NECWC Board of Directors				3000			\$1,695.00
Task 6 - Compensation for Attorneys/Engineers in Meetings with Potential Objectors					\$25,000		\$25,000.00
Task 7 - Startup Costs							\$0.00
Total Units:	1870			5250	1		
Total Cost:	\$187.00			\$2,966.25	\$25,000		\$28,153

Proposed ATM Grant Schedule for NECWC Implementation



Project: Schedule for ATM grant for co
Date: Mon 4/15/13

Task



Milestone



External Tasks



Split



Summary



External Milestone



Progress



Project Summary



Deadline



Appendix A

NORTHEAST COLORADO WATER COOPERATIVE

OPPORTUNITY FOR MEMBERSHIP SUPPORT

A Committee has been researching and investigating the creation of the Northeast Colorado Water Cooperative and has begun the first stages of formation. Initial presentations to water users were made in early 2009. Since that time, Articles of Incorporation and Bylaws have been drafted, a Business Plan has been developed, and the persons to serve on the initial Board of Directors have been selected. It is anticipated that formal documents will be filed with the Colorado Secretary of State later in 2013 or early 2014. The committee has determined it is time to update the community about the progress that has occurred to date and to obtain commitments from those who may be interested in a membership in the cooperative.

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We are seeking continued financial support for on-going startup activities. Funds that are being collected now will be used as matching funds for the grant application being presented to the Colorado Water Conservation Board on April 15, 2013.

I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

_____ \$500 _____ \$1,000 X Other \$ 2500

Print Name of Organization: Lower South Platte Water Conservancy District

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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NORTHEAST COLORADO WATER COOPERATIVE

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

250~ \$500- _____ \$1,000 _____ Other \$ _____

Print Name of Organization: _____

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LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

 X \$500 \$1,000 Other \$

Print Name of Organization: Fort Morgan Reservoir & Irrigation Company

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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_____ \$500

 X \$1,000

_____ Other \$ _____

Print Name of Organization: CITY OF STERLING

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

_____ \$500

_____ \$1,000

X Other \$ 250.00

Print Name of Organization: Weimer Farms

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: Bijou Irrigation Company

Make checks payable to LSPWCD and return this form on or before April 10, 2013, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: Bijou Irrigation District

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LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

 X \$500 \$1,000 Other \$

Print Name of Organization: Upper Platte and Beaver Canal Company

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I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

_____ \$500 _____ \$1,000 X Other \$ 250

Print Name of Organization: Weldon Valley Ditch Company

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
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X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: Sublette

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X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: Reuel and Snyder Improvement Company

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 X \$500 \$1,000 Other \$

Print Name of Organization: Morgan County Quality Water District

Make checks payable to LSPWCD and return this form on or before **April 10, 2013**, to:
LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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_____ \$500 X \$1,000 _____ Other \$ _____

Print Name of Organization: Logan Well Users, Inc.

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 X \$500 \$1,000 Other \$

Print Name of Organization: Julesburg Irrigation District

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_____ \$500 _____ \$1,000 X Other \$ 5,000

Print Name of Organization: Colorado Corn Growers Association

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X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: RIVERSIDE IRRIGATION DISTRICT

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LSPWCD, 100 Broadway, Suite 12, Sterling, CO 80751

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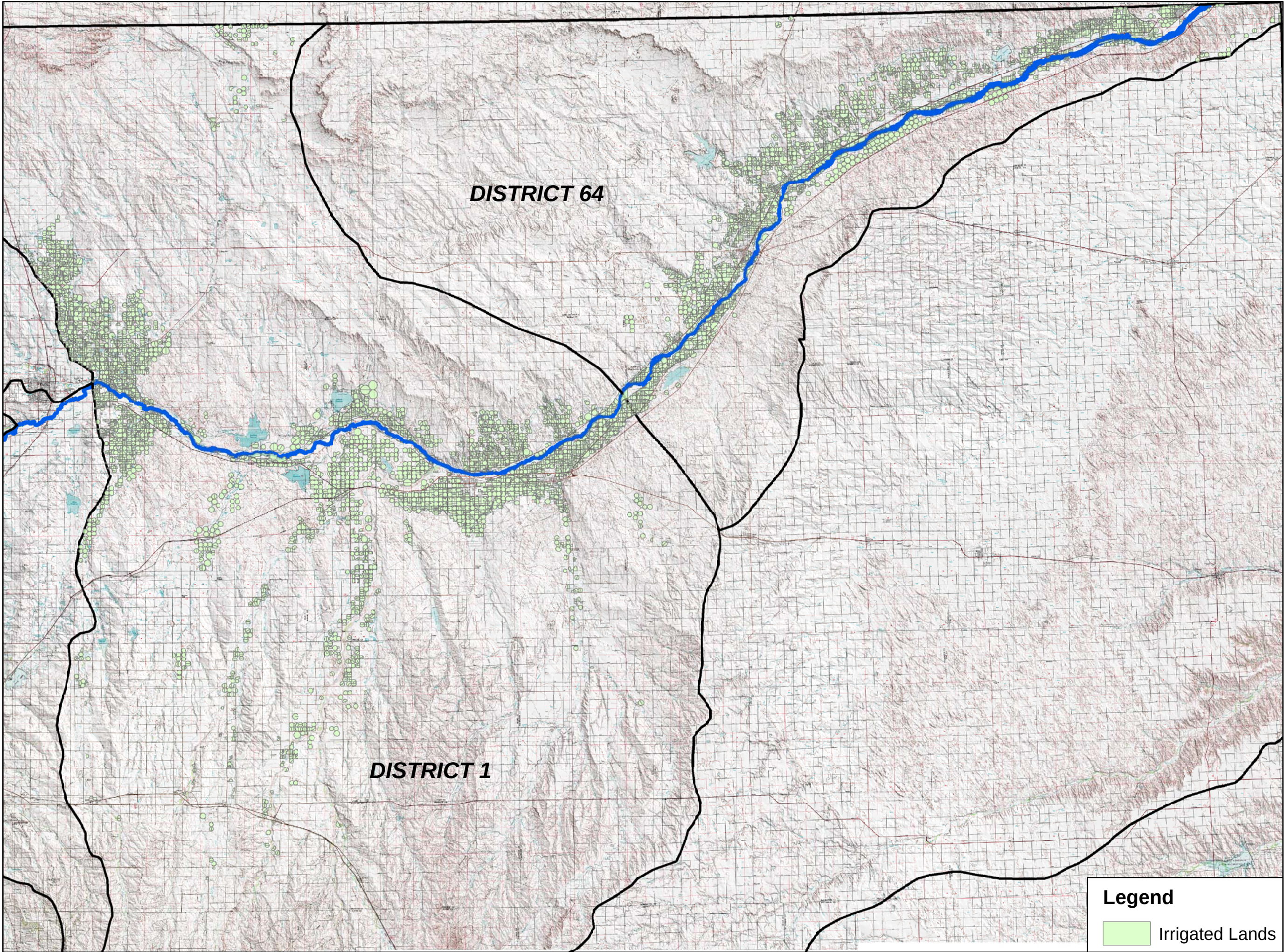
I wish to support the continued efforts of the Committee in organizing the cooperative with the following financial contribution:

X \$500 _____ \$1,000 _____ Other \$ _____

Print Name of Organization: North Sterling Irrigation District

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Appendix B



Irrigated Lands in
Districts 1 and 64

