

COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: April 23, 2015



Kendig Reservoir Feasibility Evaluations

Name of Water Activity/Project

Colorado River Water Conservation District and West Divide Water Conservancy District

Name of Applicant

Colorado Basin

Amount from Statewide Account:

\$0

Amount from Basin Account(s):

\$40,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

Total WSRA Funds Requested:

\$40,000

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.

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

1.	Applicant Name(s):	Colorado River Water Conservation District (CRWCD) and West Divide Water Conservancy District (WDWCD)				
	Mailing address:	CRWCD: P.O. Box 1120, Glenwood Springs, CO 81602 WDWCD: P.O. Box 1478, Rifle, CO 81650				
	FEIN #:					
Primary Contact :		John (Currier	Position/Title:	Chief Engineer (CRWCD)	
Email:		jcurrier@crwcd.org				
	Phone Numbers:	Cell:	(970) 366-6601	Office:	(970) 945-8522 ext. 237	
Alternate Contact:		Sam F	Potter	Position/Title:	President (WDWCD)	
	Email:		samisbmo7@gmail.com			
	Phone Numbers:	Cell:	(970) 309-3030	Office:	(970) 625-2192	
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.					
Х	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.					

3. Provide a brief description of your organization

The Colorado River Water Conservation District (River District) is a public water policy agency chartered by the Colorado General Assembly in 1937 to be "the appropriate agency for the conservation, use and development of the water resources of the Colorado River and its principal tributaries in Colorado." The River District is the principal water policy and planning agency for the Colorado River Basin within the State of Colorado and provides legal, technical, and political representation regarding Colorado River issues for its constituents.

The district is comprised of 15 West Slope counties in which a majority of the Colorado River Basin in the State of Colorado exists. These counties are Moffat, Routt, Grand, Summit, Eagle, Pitkin, Gunnison, Delta, Mesa, Garfield, Rio Blanco, Ouray, and portions of Montrose, Saguache and Hinsdale. The River District covers approximately 29,000 square miles, roughly 28% of the land area of Colorado. The southernmost part of the Colorado River basin in Colorado that encompasses the San Juan River and its tributaries and the upper reaches of the Dolores River are not included within the Colorado River District.

The River District is governed by a Board of Directors. Each of the 15 counties appoints a representative. All policies, resolutions, budget actions and other major activities of the River District are approved by Board.

The **West Divide Water Conservancy District** (WDWCD), a Colorado governmental entity, was organized in 1964 for the purposes of conserving and developing land and water resources within its boundaries. The District includes portions of Garfield, Pitkin and Mesa Counties in Western Colorado.

A primary service of WDWCD is to provide water right augmentation supplies within the District's Service Area for all beneficial uses, and to promote the health, safety and welfare of the public while providing such service. WDWCD has decreed several regional water right plans for augmentation that provide a legal supply of water to its constituents. WDWCD also delivers physical water supplies in certain geographical areas.

WDWCD has an approved Service Area which includes the Colorado River and Roaring Fork River corridors, Silt Mesa, Fourmile Creek, East Divide Creek, Rifle Creek and Elk Creek. The District offers several types of water service to help residents of its service area obtain a water supply including:

- Augmentation of individual, subdivision, commercial, and industrial wells
- Augmentation of irrigation use and pond evaporation
- Augmentation of direct hauling and pumping of water from local streams and rivers
- The delivery of water supplies from Alsbury Reservoir and Martin Alternate Reservoirs

The WDWCD is also involved in regional issues that affect its citizens. These issues include water supply planning associated with existing and future water demands within the District, and the monitoring and management of water quality.

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

The Contracting Entity is the Colorado River Water Conservation District.

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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.

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.

There are no relevant TABOR issues that should have any effect on the Applicant.

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			of the Water Activity/Project ant application? (Please check only one)			
	X	Nonconsumptive (Environmental or Recreational)				
	X	Agricultural				
	X	Municipal/Industrial				
		Needs Assessment				
		Education				
	X	Other Explain	Hydropower, Augmentation Supplies, Stock Water			
 If you feel this project addresses multiple purposes please explain. Provides a reliable water supply for domestic/municipal/industrial/stock uses, provides a water supply for unmet 						
existing irrigation demands (approx. 14,000 acres), and provides hydropower generation, recreational and environmental uses.						
3. Is	3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)					
	X	Study	Implementation			
4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?						
		New Storage Created (acre-feet)				
	New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)					
	Existing Storage Preserved or Enhanced (acre-feet)					
	Length of Stream Restored or Protected (linear feet)					
	Length of Pipe/Canal Built or Improved (linear feet)					
	Efficiency Savings (acre-feet/year OR dollars/year – circle one)					
		Area of Restored or Preserved Habitat (acres)				
TI	BD	Other Explain: V	alue of increased agricultural production			

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

Latitude: 39.3721626 Longitude: -107.59343949999

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.

The Kendig Reservoir site is located in the West Divide Creek drainage, about 15 miles south of Silt, Colorado (**Exhibit B** attached). A conditional water storage right has been decreed for Kendig Reservoir in the amount of about 18,000 acre feet. The reservoir was originally contemplated by the Bureau of Reclamation as a component of the original West Divide Project and authorized by Congress in the Colorado River Storage Projects Act (CRSP) of 1956. Water in West Divide Creek is primarily used for irrigation of agricultural lands, industrial purposes related to natural gas development, stock watering and domestic uses.

The reservoir was previously proposed because the distribution of annual flows does not coincide with the distribution of annual demand. The reservoir would store the early summer peak flows which would allow late season irrigation demands to be met more frequently; thus, shortages are reduced and yields are improved. The storage could also be used to supply non-irrigation demands including industrial, domestic, environmental, recreation, and hydropower production. Kendig Reservoir is located at the original Kendig dam site proposed by the USBR (1966). The dam is located downstream of the Highline Ditch diversion, a major irrigation ditch in the West Divide Creek basin.

The co-Applicants (the Districts) plan to continue to evaluate the development of a Kendig Reservoir concept that is supplied solely by native gravity inflow from West Divide Creek. Preliminary estimates reflect that an annual average of over 12,000 acre feet of native storable inflow occurs at the site, although storable inflow may be 2,000 acre feet or less in critically dry years. We anticipate that the development of a 5,000 to 15,000 acre foot reservoir at this site may be appropriate given the amount of storable gravity inflow of West Divide Creek, although a larger reservoir would provide additional carryover storage for supply in dry years. A smaller reservoir may be more cost effective. Additional study is required to identify optimal reservoir sizes, potential reservoir operation, the firm yield of the reservoir, geotechnical issues and project costs.

The Co-Applicants are requesting \$40,000 from the Basin Account for the Kendig Reservoir Feasibility Evaluations, and this is the amount of money necessary to complete the entire feasibility study. The total cost of the study is \$60,000, with matching funds in the amount of \$10,000 committed to the study in cash from the CRWCD and \$10,000 committed to the study in cash from the WDWCD (for a total match of 50%).

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Part III. - Threshold and Evaluation Criteria

- 1. <u>Describe how</u> 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

The water activity will be consistent with Section 37-75-102 Colorado Revised Statutes and will comply with the existing water rights adjudication system. The study does not supersede, abrogate or impair the current system of allocating water or affect existing water rights.

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 BRTs 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.

A presentation on the purpose and objectives of the study is planned for April 27, 2015 to the Colorado BRT members. The Colorado BRT will issue such a letter if and when the project is approved.

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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.

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.

A letter of support from the Colorado BRT Chair is requested at our presentation to the Colorado BRT meeting on April 27, 2015.

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)

This application requests \$40,000 from the <u>Colorado Basin Account</u>. A total of \$20,000 has been committed to this study in cash, which adequately covers the required matching funds required for this grant request of \$40,000.

West Divide Water Conservancy District
Cash \$10,000
Colorado River Water Conservation District
Cash \$10,000

TOTAL MATCH \$ 20,000 (50% match)

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**, <u>describe how</u> 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.

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

- 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.

Part IV. - Required Supporting Material

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

The Kendig Reservoir site is located in the West Divide Creek drainage, about 15 miles south of Silt, Colorado. Kendig Reservoir was originally contemplated to store 18,060 acre feet* of native West Divide Creek water in addition to water conveyed from the Crystal River. The Crystal River as a source of water supply has been abandoned and is not contemplated by the Project.

West Divide Creek is tributary to the Colorado River and subject to a call by a group of senior irrigation water rights near Grand Junction collectively known as the Cameo Call. In addition to the Cameo Call, Kendig Reservoir would also be subject to many downstream senior irrigation ditches on West Divide Creek. In many years, West Divide Creek is on call much of the irrigation season, and the Kendig Reservoir storage rights may only be in priority during winter months and the height of spring snowmelt. However, a reconnaissance level study completed by Grand River Consulting in 2011 showed that on average a physical and legal water supply to Kendig Reservoir from West Divide Creek may be over 12,000 acre feet annually. In dry years, the available water supply may be considerably less than 2,000 acre feet.

Stored water may be available for release and delivery to downstream water users located south of the Colorado River between New Castle and Parachute. The existing water rights allow for the following uses: irrigation, domestic, municipal, industrial, stock, hydropower, and recreation. Because of the reduced dry year water availability, carryover storage would likely be important to maximize dry year supplies.

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

Since the original conception of a Kendig Reservoir, the U.S. Bureau of Reclamation and others have studied many aspects of the proposed project. A comprehensive list of these studies includes:

- Grand River Consulting, 2012. Evaluation of Development Options West Divide Project. December.
- Black and Veatch. 2011. West Divide Project Feasibility Assessment. June 3.
- ERO Resources Corporation, Inc. 2011. Environmental Permits, Authorizations, and Regulatory Requirements West Divide Project. June.
- Barnes Geologic Consulting, Inc. 2002. Geology Report Kendig Dam and Reservoir Sites West Divide Project, Colorado. May.
- Hydro-Triad, LTD. 1986. Reformulation of the West Divide Project. July.
- U.S. Bureau of Reclamation (USBR). 1982. USBR Planning Report on the West Divide Project. May.
- U.S. Bureau of Reclamation (USBR). 1978. Kendig Dam Site, Feasibility Geology Report.
- U.S. Bureau of Reclamation (USBR). 1966. West Divide Project, Colorado. Feasibility Report. March.
- U.S. Bureau of Reclamation (USBR). 1956. West Divide Project, Colorado. Supplemental Status Report. July.
- U.S. Bureau of Reclamation (USBR). 1937. Planning Report: USBR West Slope Surveys, The West Divide Project.

At this time, there are no known major obstacles or fatal flaws that would preclude permitting or development of

^{*}Kendig Reservoir was decreed in Civil Action 4954 (Adj. Date 7/9/1965) for 15,450 acre feet Kendig Reservoir 1st Enlargement was decreed in 79CW315 (Adj. Date 12/31/1979) for 2,610 acre feet

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Kendig Reservoir.

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

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

A detailed statement of work is provided in **Exhibit A** attached.

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: John Currier

Project Title: Kendig Reservoir Feasibility Evaluations

Date: April 23, 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