



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: May 4, 2015

Upper Uncompahgre Basin Water Supply Protection and Enhancement Project

Name of Water Activity/Project

Ouray County

Name of Applicant

Gunnison Basin Roundtable

Amount from Statewide Account: 25,000

Amount from Basin Account(s): 25,000

Total WSRA Funds Requested: 50,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN:

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Required Exhibits

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

Appendices – Reference Material

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

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Instructions

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>. In addition, the applicant should also refer to the [Supplemental Scoring Matrix](#) applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests .

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Craig Godbout - WSRA Application
Colorado Water Conservation Board
1313 Sherman St., Room 721
Denver, CO 80203
Craig.godbout@state.co.us

If you have questions or need additional assistance, please contact Craig Godbout at: 303-866-3441 x3210 or craig.godbout@state.co.us.

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

1.	Applicant Name(s):	Ouray County, as lead agency for regional coalition of entities			
	Mailing address:	P.O. Box C Ouray, CO 81247			
	FEIN #:				
	Primary Contact:	Martha Whitmore	Position/Title:	County Attorney	
	Email:	mwhitmore@ouraycountyco.gov			
	Phone Numbers:	Cell:	303-886-0597	Office:	970-626-9744
	Alternate Contact:	Connie Hunt	Position/Title:	County Administrator	
	Email:	chunt@ouraycountyco.gov			
	Phone Numbers:	Cell:		Office:	970-325-7263

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

- ☒ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☐ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☐ Non-governmental organizations – broadly defined as any organization that is not part of the government.

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3. Provide a brief description of your organization

Ouray County is a small, rural county in the Uncompahgre River Basin, south of Montrose. With a current population of approximately 4,500, the County is home to both 14,000' mountain peaks and productive agricultural lands. Ouray County has a proud history of mining and is a "right-to-farm" county dedicated to preserving the heritage of its rural character while providing increased economic opportunities for its residents and a recreation haven for its many visitors.

Ouray County is the lead agency for purposes of this application, representing a coalition of all major water users in the region, including the City of Ouray, Town of Ridgway, Ouray County Water Users' Association, Log Hill homeowners, Tri-County Water Conservancy District, and Trout Unlimited. The Colorado River Water Conservation District is also providing financial and technical support for this effort.

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

The contracting entity for Phase 1 will be Ouray County, acting on behalf of the regional coalition.

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

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describe any relevant TABOR issues that may affect the applicant.

There would be no TABOR issues with the acceptance of grant funding by Ouray County. Ouray County is exempt from the TABOR and 5.5% limitations as approved by the electorate of Ouray County.

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Part II. – Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

☐ Nonconsumptive (Environmental or Recreational)

☐ Agricultural

☐ Municipal/Industrial

☒ Needs Assessment

☐ Education

☐ Other Explain:

2. If you feel this project addresses multiple purposes please explain.

The proposed engineering study will assess water needs of existing and future agricultural water users, domestic water supplies, recreational and environmental water uses, as well as options for stabilizing and augmenting existing and future water uses. The solution options may include additional storage, exchanges, substitutions and new appropriations. The coalition will then pursue those options determined to be most advantageous and cost-effective. The goal is to assure a thriving agricultural community including the protection and enhancement of pre-compact water rights, stabilize and help assure future municipal/domestic supplies, and enhance recreation and environmental uses. The diverse make-up of the coalition assures that solutions will provide multi-user benefits.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

☒ Study

☐ Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

Not at this time, but the current estimate of additional water needed to ensure a full supply of water for all uses is approximately 5,600 AF, including storage, direct diversions, and other mechanisms for augmentation or substitution of existing shortages in agriculture.

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<input type="text"/>	New Storage Created (acre-feet)
<input type="text"/>	New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)
<input type="text"/>	Existing Storage Preserved or Enhanced (acre-feet)
<input type="text"/>	Length of Stream Restored or Protected (linear feet)
<input type="text"/>	Length of Pipe/Canal Built or Improved (linear feet)
<input type="text"/>	Efficiency Savings (acre-feet/year OR dollars/year – circle one)
<input type="text"/>	Area of Restored or Preserved Habitat (acres)
<input type="text"/>	Other -- Explain: <input type="text"/>

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

Latitude:	<input type="text" value="38.155281"/>	Longitude:	<input type="text" value="107.769172845619"/>
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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 WSRA funding, in addition to the funds dedicated by the various coalition participants, will be used for a study to be conducted by Wright Water Engineers, Inc. (WWE). The analysis will include a review of existing water shortages, available water sources and water rights, a review of existing data and prior studies by the various participants, an analysis of available storage in Ridgway Reservoir, and an analysis of exchange potential on various segments of the main-stem and tributaries of the Upper Uncompahgre River. The goal of the study is to provide solution options to achieve the goal of assuring a full current and future water supply to the various water users in the basin.

The full scope of work and budget are provided as Exhibit A.

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Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.¹

The intent of this study is to find solutions to current water shortages by Ouray County water users due to senior calls, primarily downstream of Ridgway Reservoir, as well as to determine feasibility of additional storage options, availability of water for a new appropriations, availability of exchange or substitution of water supplies to ensure a full supply of water for agricultural users, as well as municipal and other domestic water uses and recreation/environmental needs through 2050. All of the options would be confined to those available under current Colorado water law.

- b) The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRT's evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

The County believes this application will be supported by the Gunnison Basin Roundtable as it has been included as a Tier 1 project within the recently submitted BIP, and conforms to the priorities expressed in the BIP.

¹ 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

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- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.² The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

Both existing and future water needs of Ouray County were described and included in the BIP, including a letter provided by the Ouray County Attorney documenting the population growth estimates and existing agricultural shortages.

- 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)

The County and coalition participants have committed to jointly funding \$25,000. The CRWCD has provided \$5,000 in cash, as well as in-kind assistance by District professional staff; Tri-County WCD has also agreed to provide a 10% match, up to \$2,500.

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

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

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

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

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

Tier 2: Facilitating Water Activity Implementation

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

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

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

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j. The water activity is complimentary to or assists in the implementation of other CWCB programs.
Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

Please attach additional pages as necessary.

Tier 1 Criteria

- a. The proposed study is supported by a coalition of water interests in Ouray County and will provide information for selection of solution options to achieve a stable water supply for agricultural, municipal and domestic, industrial and commercial, and recreation and environmental (non-consumptive) uses.
- b. This cooperative effort is advanced for the varied and mutual beneficial interests of the residents and visitors to Ouray County. Participating entities include the County of Ouray, the City of Ouray, the Town of Ridgway, the Ouray County Water Users Association, homeowners groups from Log Hill Mesa, Tri-County Water Conservancy District, and Trout Unlimited. This cooperative effort is unprecedented in Ouray County.
- c. With the information from the Gunnison River Basin Implementation Plan (BIP) as a starting point, the engineering analysis will focus on the “gap” between existing water supplies and water uses and those contemplated through 2050 to ensure a stable water supply, including an analysis of both physical and legal supplies, and options for augmenting current supplies through additional storage, exchanges and substitutions, new appropriations, conservation, demand management and efficiencies of operations and water management. The BIP included documentation of existing gaps in Upper Uncompahgre (Ouray County) water supplies, and this analysis will both more completely assess the gaps and solutions, which will be cooperatively pursued.

Tier 2 Criteria

- d. Ouray County is a small, rural and mountain county with a population of approximately 4,500. Financial resources of all of the county, the city and the town are limited, as are the resources of the homeowners groups and the agricultural water users. A major reason for the cooperative effort on this study is to achieve economies of scale that no single one of the water interests could otherwise achieve; it would be nearly impossible for the individual participants to fund this study, or even a portion of the study assessing their specific needs, alone. Ouray County, for example, was forced to cut the county work-week to four days after property values, and corresponding property tax revenues, decreased more than 30% during the period 2011-2013.
- e. By combining resources, the participants can provide funding of approximately \$25,000, including the contribution by CRWCD of \$5,000 toward this effort. The requested grant is \$25,000 from the Basin funds and \$25,000 from the statewide funds, making the local funding 33% of the total study costs. The local participants will also be providing in-kind contributions of staff time for supervising the study, and ultimately contributing staff time for whatever water rights application and litigation is necessary to implement the recommended and adopted solution options.

Tier 3 Criteria

- f. One of the highest priorities of this study is to augment the shortages currently experienced by agricultural users in Ouray County in order to preserve the culture and open spaces provided by our ranches and farms. As a right-to-farm county, ensuring a thriving agricultural community is an important consideration for all participants. In addition, the county enjoys recreational and scenic non-consumptive uses of water, and those uses are an attractive incentive to visitors to spend time fishing, boating, and in other recreational pursuits in

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the county, providing one economic driver for the communities. The cooperative effort here will include feasible measures to protect and enhance these uses.

- g.** Firming the water supply for the various water users in the Upper Uncompahgre Basin will maximize the utilization of Colorado's compact entitlement, within the parameters of the appropriation doctrine and Colorado law, and without injuring other water users. It is anticipated that the total additional consumptive use will be de minimis and will not affect Lake Powell triggers.
- h.** Critical habitat has been proposed for the yellow-billed cuckoos along a portion of the Uncompahgre River within Ouray County, so stabilizing water resources may be of benefit to that species, to the extent that the species actually is present within Ouray County. Similarly, the FWS has designated critical habitat within Ouray County for the Gunnison Sage Grouse, and preservation of agricultural lands in the county may benefit that species, to the extent that the species actually is present in Ouray County.

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Part IV. – Required Supporting Material

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

The various water users within the participating coalition use waters in various ditches and reservoirs and divert from the various streams and main stem of the Uncompahgre River. It would be premature to speculate what the specific solution options will be, but there could be additional use of Ridgway Reservoir, conditional water rights adjudicated and held by Tri-County WCD, including storage on Cow Creek or Dallas Creek, and additional diversions, exchanges, or substitutions from sources including the Uncompahgre River and its tributaries.

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

WWE has previously conducted analyses of water rights for the City of Ouray and Tri-County Water Conservancy District, and will start with base knowledge that will allow this study to be completed efficiently as to cost and time. At this time, the analysis will not include an in-depth review of permitting issues, but will examine “fatal flaws” that make specific solution options less feasible.

The CRWCD also has data that will support this study and analysis. WWE is expected to use other existing data and information from the SEO’s records, SWSI and other existing models and studies.

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.

See the attached Scope of Work, Budget and Project Schedule.

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: Martha P. Whitmore, County Attorney, on behalf of Ouray County

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