

**Water Supply Reserve Account – Grant and Loan Program**  
**Water Activity Summary Sheet**  
**September 15-17, 2015**  
**Agenda Item 18(j)**

**Applicant & Fiscal Agent:** Montrose County

**Water Activity Name:** West End of Montrose County Reservoir Project

**Water Activity Purpose:** Needs Assessment

**County:** Montrose

**Drainage Basin:** Southwest Basin

**Water Source:** Tributaries to the San Miguel River

**Amount Requested/Source of Funds:** \$50,000 Southwest Basin Account  
\$250,000 Statewide Account  
\$300,000 Total Grant Request

**Matching Funds:** Basin Account Match: \$50,000 = 16.7% of total grant request (meets 5% min);  
Basin Account & Applicant Match: \$1,016,000 = 338.7% of total grant request  
(meets 25% min)  
Applicant Match: \$966,000 = 76.3% of total project costs (\$1,266,000)  
(refer to *Funding Summary/Matching Funds*)

<b>Staff Recommendation:</b>
------------------------------

Staff recommends <b>conditional</b> approval of up to \$50,000 from the Southwest Basin Account, and \$250,000 from the Statewide Account to help fund the needs assessment titled: West End of Montrose County Reservoir Project. Approval shall be contingent upon an acceptable scope of work which will include up to \$10,000 for an analysis of the impact to recreational uses of the San Miguel River.
--

**Water Activity Summary:** WSRA funds, if approved, will be used to pay for a portion the feasibility study work as part of the conditional water right held by Montrose County. The conditional water right decree requires the County to determine if a project can be built and at what cost by Oct. 31, 2018. The County has contracted with Deere and Ault Consultants, Inc., Longmont, and began the work of determine what type of dam structure should be built in the various sites listed in the conditional water right. The reservoir, to be used for municipal and industrial use, is necessary to meet the future needs of the west end of Montrose County.

This project will benefit the communities of Nucla and Naturita in western Montrose County. This project will have piscatorial water that can be released into the San Miguel River.

The conditional water right was granted in 2012. There are four reservoir sites listed in the conditional water right. The County will decide which site or combination of two sites will be the best to build a reservoir. This application is for funding of geotechnical investigations, feasibility studies work, and cost analysis of building a reservoir in the San Miguel River basin.

Objectives:

Montrose County must select one of the following alternative reservoirs, in addition to the Nucla Town Reservoir Enlargement, or combinations of reservoirs:

- 1.) Big Bucktail Reservoir, with a capacity of no more than 5,000 acre-feet;
- 2.) Big Bucktail Reservoir and Tuttle Draw Reservoir, with a combined capacity of no more than 6,200 acre-feet;
- 3.) Maverick Draw Reservoir No. 1 with a capacity of no more than 8,400acre-feet;
- 4.) Maverick Draw Reservoir No. 2 with a capacity of no more than 9,100acre-feet; or
- 5.) A total of two reservoirs, comprising (1) Maverick Draw No. 1 or Maverick Draw No. 2; and (2) Big Bucktail or Tuttle Draw; with a combined capacity of no more than 11,100 acre-feet.

Following the County's selection of one of the alternatives above, the County must abandon all conditional storage rights for the reservoirs not selected and shall also abandon the related rights of exchange decreed in the Consolidated Cases to the structures that are not selected.

**Discussion:**

This is an application for funding for the feasibility study of a potential dam site. There were opponents to the filing of the conditional rights application. Montrose County agreed to a stipulation regarding volumetric reductions if population did not meet specific thresholds.

Montrose County has met with Colorado Parks and Wildlife regarding this project. It is not clear if the piscatorial water mentioned in the conditional water right will be helpful to trout but it may be helpful to the species of special concern in the San Miguel River. A letter was provided from the Colorado Parks and Wildlife office in Montrose.

Montrose County also contacted Trout Unlimited and informed them that the reservoir's water would most likely not be of benefit to trout species because of its location in the San Miguel basin.

This project aligns with the several of the Goals and Measurable Outcomes as described in the Southwest Basin Implementation Plan (Section 1; Table 1: Goals and Measurable Outcomes A1, A2, A3, A4, C1, C2, & D1; pages 12 15), and is specified as a Proposed San Miguel River Basin IPP, *Montrose County Firming Project Phase I*; (Appendix A; San Miguel River Basin Draft IPP List; IPP ID no. 3-SM; page 17 of 18).

An analysis of the non-consumptive impacts of the proposed project will be beneficial to the future permitting effort, therefore funding should be set aside in this request to identify those impacts.

**Issues/Additional Needs:** A Grant Scope of Work will need to be finalized and it must identify specific tasks associated with the Feasibility Study Effort. The Scope of Work will include up to \$10,000 to identify the impact of each reservoir site on non-consumptive uses and in particular the impact on rafting.

**Threshold and Evaluation Criteria:**

The application meets all four Threshold Criteria.

**Tier 1-3 Evaluation Criteria:**

Staff has reviewed and evaluated the applicant's response to the Statewide Account Supplemental Scoring Matrix and has determined that it satisfies the Evaluation Criteria. Please refer to WSRA Application for applicant's detailed response.



**Funding Summary/Matching Funds:**

	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
Montrose County	\$966,000	\$0	\$966,000
WSRA Southwest Basin Account	\$50,000	n/a	\$50,000
WSRA Statewide Account	\$250,000	\$0	\$250,000
<b>Total</b>	<b>\$1,266,000</b>	<b>\$0</b>	<b>\$1,266,000</b>

**CWCB Project Manager:** Kirk Russell

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 will help promote the development of a common technical platform. In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

**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 scope 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.

**Engineering:** All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.