

Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
March 16-17, 2016
Agenda Item 14(h)

Applicant & Fiscal Agent: McClave Water Association, Inc.
Water Activity Name: McClave Water Association Delivery Improvement Project
Water Activity Purpose: Municipal/Industrial
County: Bent
Drainage Basin: Arkansas
Water Source: Arkansas River
Amount Requested/Source of Funds: \$23,010 Arkansas Basin Account
\$25,000 Statewide Account
\$48,010 Total Grant Request

Matching Funds: Basin Account Match (\$23,010) = 47.9% of total grant request (meets 5% min);
Applicant/3rd Party Match (\$6,800) = 14.1% of total project costs (\$54,810)
Basin Account & Applicant Match (\$29,810) = 62% of total grant request (meets 25% min)
(refer to *Funding Summary/Matching Funds* section)

Staff Recommendation:

Staff recommends approval of up to \$23,010 from the Arkansas Basin Account and \$25,000 from the Statewide Account to help fund the project titled: McClave Water Association Delivery Improvement Project.
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Water Activity Summary: WSRA funds, if approved, will be expended to fund the project titled: McClave Water Association Delivery Improvement Project. The system was constructed in the 1960s and has undergone only limited improvements since that time due to a lack of financing, but is in need of significant repairs and replacements. Because of the high poverty rate in the area however (Bent County ranked as 4th highest poverty level in Colorado by U.S. Census Bureau), member rate increases are not a viable way for the Association to raise funds to replace its aging infrastructure.

The McClave Water Association Delivery Improvement Project will allow for replacement of two sections of PVC distribution line (totaling about 1.5 miles in length) that currently experience heavy water loss due to deteriorated PVC pipe. The Board of Directors has deemed these two sections of distribution line as top priority for replacement due to the high amount of leakage loss currently taking place. It is estimated that these improvements will result in 8 acre-feet of water savings annually. This water savings is significant to the McClave Water Association, as it represents approximately 20% of the water produced annually by the Association's wells.

Task One – Site Preparation and Utility Location: McClave will coordinate with Bent County for the removal of weeds and other vegetative debris along the water right right-of-way. McClave will then

work with utility companies to identify and mark locations of existing utilities within the rights of way to prepare for trenching and pipe installation.

Task 2 - Distribution Line Replacement: McClave will retain a contractor to perform the distribution line replacement and the association replacement of meter connections and valves on two pipe segments. The first pipe segment is a new three-inch PVC distribution line in the north right of way of Bent County Road LL between Road 28 (east) extending to a point approximately 4500 feet west. The second pipe segment is a new two-inch PVC distribution line in the north right of way of Bent County Road JJ between Road 32 (east) extending to a point approximately 3000 feet west. Eight meter connections and valves along these two stretches of distribution line will be replaced at the same time (six within the first segment and two in the second segment). McClave staff will oversee the contractor in trenching and laying two new pipe segments in the McClave water distribution system and replacing eight meter connections and valves located within those segments. Trenching and pipe installation will be done to a minimum depth of 36 inches and will include tie-ins to service lines and the main line of the McClave water distribution system. After installation and after introduction of new water to the installed lines to observe satisfactory functioning and workmanship, the contractors will backfill the trench.

Discussion: This project meets the goals and objectives identified in the Arkansas Basin Implementation Plan, specifically the municipal goal to “Support regional infrastructure development for cost-effective solutions to local water supply gaps.” (Section 1, page 15)

This project also aligns with critical actions identified in Colorado’s Water Plan, such as the support of BRT-identified priority projects. Additionally, this project correlates with action items in Section 6.5 related to the maintenance and updating of aging infrastructure.

Issues/Additional Needs: No issues or additional needs have been identified.

Threshold and Evaluation Criteria:

The application meets all four Threshold Criteria.

Tier 1-3 Evaluation Criteria:

This activity has undergone review and evaluation and staff has determined that it satisfies the Evaluation Criteria. Please refer to WSRA Application for applicant’s detailed response.

Funding Summary/Matching Funds:

<u>Funding Sources</u>	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
McClave Water Association	\$4,800	\$2,000	\$6,800
WSRA Arkansas Basin Account	\$23,010	n/a	\$23,010
WSRA Statewide Account	\$25,000	n/a	\$25,000
Total Project Costs	\$52,810	\$2,000	\$54,810

CWCB Project Manager: Brent Newman

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.

Arkansas Basin Roundtable

January 29, 2016

Via Electronic Mail: craig.godbout@state.co.us

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203

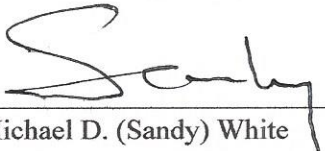
Re: Water Supply Reserve Account Grant Application: McClave Water Association Delivery Improvement Project

Dear Craig:

At its January 13, 2016 meeting, the Arkansas Roundtable approved the McClave Water Association Delivery Improvement Project for \$23,100 in Basin Funds, \$25,000 in Statewide Funds, with \$4,800 cash matching funds and \$2,000 In-Kind from the applicant, the McClave Water Association. There were no dissenting opinions expressed in the consensus decision.

This project, in an economically challenged sector of the Arkansas Basin, will generate an immediate 20% savings of municipal water and prepare the community for participation in the Arkansas Valley Conduit in the future. It furthers the goals and objectives of the Arkansas Basin Implementation Plan and the Colorado Water Plan, particularly Objectives A. Supply-Demand Gaps: "*Meet Colorado's Water Gaps*," and B. Conservation: "*Increase Municipal Conservation and Efficiency*" (Section 10.3). Should you have any questions or concerns, please feel free to contact me either by telephone, 719-742-6164, or by email, sandy@white-jankowski.com.

With warm regards



Michael D. (Sandy) White
Chair

Copy via email:

Applicant
ABRT Executive Committee



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 1/4/2016

McClave Water Association Delivery Improvement Project

Name of Water Activity/Project

McClave Water Association, Inc.

Name of Applicant

Arkansas Basin
Roundtable

Amount from Statewide Account:

\$25,000.00

Amount from Basin Account(s):

\$23,010.00

Total WSRA Funds Requested:

\$48,010.00

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN: 84-0567009

Application Content

Application Instructions	page 2
Part I – Description of the Applicant	page 3
Part II – Description of the Water Activity	page 5
Part III – Threshold and Evaluation Criteria	page 7
Part IV – Required Supporting Material	
Water Rights, Availability, and Sustainability	page 10
Related Studies	page 10
Signature Page	page 12

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)

Water Supply Reserve Account – Application Form

Revised October 2013

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):	McClave Water Association, Inc.		
	Mailing address:	P.O. Box 73 McClave, CO 81057		
	FEIN #:	84-0567009		
	Primary Contact:	Julie Roesch	Position/Title:	Bookkeeper
	Email:	Jroesch92@gmail.com		
	Phone Numbers:	Cell: 719-688-0438	Office:	
	Alternate Contact:	Ryan Hemphill	Position/Title:	Vice President, BOD
	Email:	ryan.hemphill@centurytel.net		
	Phone Numbers:	Cell: 719-688-8760	Office:	

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

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

Water Supply Reserve Account – Application Form

Revised October 2013

3. Provide a brief description of your organization

The McClave Water Association, Inc. operates with a sole purpose: to provide reliable, clean, and safe drinking water to the unincorporated town of McClave and the surrounding area, in southeastern Colorado. The Association services approximately 175 residential and commercial metered taps, including the McClave School District. Prior to the formation of the association in 1967, most area residents purchased water from a private well owner and transported it to their home cisterns on a weekly basis. The Association was created to provide a production and distribution system that could deliver a safe, reliable water supply directly to members' homes and/or businesses. The system was constructed in the 1960s and has undergone only limited improvements since that time due to a lack of financing. Much of the initial and ongoing cost of construction and maintenance has been financed with grant/loan packages from USDA Rural Development, one of the few sources of funds available to non-public, non-governmental entities. The Association is constantly striving to maintain an aging distribution system, while servicing debt from 20 - 40 years ago. Because of the high poverty rate in the area however, (Bent County ranked as 4th highest poverty level in Colorado by U.S. Census Bureau) member rate increases are not a viable way for the Association to raise funds to maintain its aging infrastructure. The Board of Directors has been proactive in researching available funding sources, including the possibility of altering the organizational structure of the Association, to aid in the ongoing struggle to maintain its aging infrastructure. The Association utilizes four wells, two booster pump stations, 300,000 gallons of storage, and approximately 40 miles of distribution line to supply members in roughly a 30 square mile service area in eastern Bent County. The Association operates on annual revenues of around \$100,000 and employs one part-time bookkeeper and one 2/3 time water operator.

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

Same.

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

Water Supply Reserve Account – Application Form
Revised October 2013

describe any relevant TABOR issues that may affect the applicant.

McClave Water Association is exempt from TABOR laws.

Part II. - Description of the Water Activity/Project

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

<input type="checkbox"/>	Nonconsumptive (Environmental or Recreational)
<input type="checkbox"/>	Agricultural
<input checked="" type="checkbox"/>	Municipal/Industrial
<input type="checkbox"/>	Needs Assessment
<input type="checkbox"/>	Education
<input type="checkbox"/>	Other

Explain:

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

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

<input type="checkbox"/>	Study	<input checked="" type="checkbox"/>	Implementation
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4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

Water Supply Reserve Account – Application Form

Revised October 2013

***NOTE: This identified 8 ac-ft of annual water savings is based on current water loss data using Association-owned flow meters. This water is lost from the system through leaking underground distribution lines after chlorination and pressurization but prior to use by its members, and represents an annual loss of nearly \$7,000 to the Association based on its current rate structure.

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

Latitude: 38.128928

Longitude: -102.887902

and

Latitude: 38.099

Longitude: -102.815

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 McClave Water Association Delivery Improvement Project will allow for replacement of two sections of PVC distribution line (totaling about 1.5 miles in length) that currently experience heavy water loss due to deteriorated PVC pipe. The Board of Directors has deemed these two sections of distribution line as top priority for replacement due to the high amount of leakage loss currently taking place. It is estimated that these improvements will result in 8 acre-feet of water savings annually. This water savings is significant to the McClave Water Association, as it represents approximately 20% of the water produced annually by the Association's wells.

WSRA funding will be used for the following two tasks:

- A) To trench and lay a new 3 inch PVC distribution line in the north right of way of Bent County Road LL between Road 28 (east) extending to a point approximately 4500 feet west. Funding will also be used to replace 6 meter connections and valves along this stretch of distribution line.
- B) To trench and lay a new 2 inch PVC distribution line in the north right of way of Bent County Road JJ between Road 32 (east) extending to a point approximately 3000 feet west. Funding will also be used to replace 2 meter connections and valves along this stretch of distribution line.

Water Supply Reserve Account – Application Form

Revised October 2013

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 McClave Water Association Delivery Improvement Project will enhance the current system of allocating water within Colorado by ensuring the maximum utilization of available water supplies, including a fully consumable water source (Fryingpan-Arkansas Project water utilized by the Association) in a region of Colorado where water is overappropriated. This project will not injure or restrict any vested water right nor will it impair the current system of allocating water within Colorado.

- 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.

Roundtable evaluation pending.

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.

Water Supply Reserve Account – Application Form

Revised October 2013

- 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.

The McClave Water Association Delivery Improvement Project is designed to conserve existing water resources and reduce pressure on existing water supplies, both of which would assist in meeting both the 28,000 afy M&I water gap, as well as the agricultural water gap, as identified in the Arkansas River Basin Consumptive Needs Assessment: 2030 (June 2008). As stated previously, this project will result in approximately a 20% savings of the water currently produced by the McClave Water Association's wells.

- 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)

10% (\$4,800) matching funds will be provided from McClave Water Association, as well as in-kind contribution of labor to oversee and coordinate the project at a cost of \$2,000.

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

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.

Water Supply Reserve Account – Application Form

Revised October 2013

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.
- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

Explanation of how the water activity/project meets all applicable **Evaluation Criteria**. **Please attach additional**

Water Supply Reserve Account – Application Form

Revised October 2013

pages as necessary.

McClave Water Association is seeking WSRA funding from Basin Account only and therefore is not required to meet the Evaluation Criteria for the Statewide Account. Nevertheless, the McClave Water Association Delivery Improvement Project meets both of the Tier 2 Evaluation Criteria. Without the requested funding, the McClave Water Association will not be able to undertake the Delivery Improvement Project and the system will continue to experience high water losses and have its overall condition deteriorate. The McClave Water Association is funded through monthly water tap fees and additional fees based on water deliveries over 2,000 gallons. On average, this results in an annual budget for the Association of approximately \$100,000. This is used to service existing debt, pay fixed costs (salaries, power, etc.), and undertake necessary improvements. Because the McClave Water Association cannot reasonably raise its fees when many of its costumers live on incomes at or below the poverty line, there are not sufficient funds to undertake any significant improvements to maintain system infrastructure. In most years, the McClave Water Association has little or no working capital remaining for overall system improvements in its annual budget. For example, 2015 was considered a “good” year for the Association, where there was just over \$6,000.00 remaining after expenses were paid. The majority of this amount will be used to provide the matching funds for this grant request. As a result, the 10% matching contribution represents a significant commitment by the Association. Moreover, the Board members and staff of the McClave Water Association will provide significant in-kind commitments of labor to oversee and coordinate the project, of which staff costs are estimated to be \$2000.00

Water Supply Reserve Account – Application Form

Revised October 2013

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 McClave Water Association is supplied by four wells that produce a combined volume of approximately 42 ac-ft of water annually for distribution to its members. The wells are supplied by the Cheyenne and Dakota Aquifers and utilize Fryingpan-Arkansas Project water and LAWMA (Lower Arkansas Water Management Association) shares to replace groundwater depletions from the wells.

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

The McClave Water Association Delivery Improvement Project will involve replacement of distribution lines currently located in the Bent County right-of-way. No additional permits or easements are expected but if it is determined that such measures are required, applicant will commit to obtaining such approval.

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 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.

Water Supply Reserve Account – Application Form
Revised October 2013

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

Signature of Applicant:



Print Applicant's Name: Ryan Hemphill, McClave Water Association, Vice President

Project Title: McClave Water Association Delivery Improvement Project

Date: December 2, 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

Scope of Work for: McClave Water Association Water Delivery Improvement Project

SUBMITTED BY: THE McCLAVE WATER ASSOCIATION

WSRA GRANT REQUEST - ARKANSAS BASIN ACCOUNT

I. Background

The McClave Water Association, Inc. operates with a sole purpose: to provide reliable, clean, and safe drinking water to the unincorporated town of McClave and the surrounding area, in southeastern Colorado. The Association services approximately 175 residential and commercial metered taps, including the McClave School District. Prior to the formation of the association in 1967, most area residents purchased water from a private well owner and transported it to their home cisterns on a weekly basis. The Association was created to provide a production and distribution system that could deliver a safe, reliable water supply directly to members' homes and/or businesses. The system was constructed in the 1960s and has undergone only limited improvements since that time due to a lack of financing, but is in need of significant repairs and replacements. Because of the high poverty rate in the area however (Bent County ranked as 4th highest poverty level in Colorado by U.S. Census Bureau), member rate increases are not a viable way for the Association to raise funds to replace its aging infrastructure.

The McClave Water Association Delivery Improvement Project will allow for replacement of two sections of PVC distribution line (totaling about 1.5 miles in length) that currently experience heavy water loss due to deteriorated PVC pipe. The Board of Directors has deemed these two sections of distribution line as top priority for replacement due to the high amount of leakage loss currently taking place. It is estimated that these improvements will result in 8 acre-feet of water savings annually. This water savings is significant to the McClave Water Association, as it represents approximately 20% of the water produced annually by the Association's wells.

II. Objective

The objective of this project is for the McClave Water Association to continue to provide reliable, clean, and safe drinking water to its customers by replacing high-priority sections of distribution line in order to limit leakage loss and achieve significant water savings.

III. Project Description

Task One – Site Preparation and Utility Location. McClave will coordinate with Bent County for the removal of weeds and other vegetative debris along the water right right-of-way. McClave will then work with utility companies to identify and mark locations of existing utilities within the rights of way to prepare for trenching and pipe installation.

Task 2 - Distribution Line Replacement. McClave will retain a contractor to perform the distribution line replacement and the association replacement of meter connections and valves on two pipe segments. The first pipe segment is a new three-inch PVC distribution line in the north right of way of Bent County Road LL between Road 28 (east) extending to a point approximately 4500 feet west. The second pipe segment is a new two-inch PVC distribution line in the north right of way of Bent County Road JJ between Road 32 (east) extending to a point approximately 3000 feet west. Eight meter connections and valves along these two stretches of distribution line will be replaced at the same time (six within the first segment and two in the second segment). McClave staff will oversee the contractor in trenching and laying two new pipe segments in the McClave water distribution system and replacing eight meter connections and valves located within those segments. Trenching and pipe installation will be done to a minimum depth of 36 inches and will include tie-ins to service lines and the main line of the McClave water distribution system. After installation and after introduction of new water to the installed lines to observe satisfactory functioning and workmanship, the contractor will backfill the trench.

Deliverable: Contractor invoices and photographs documenting work will be provided to demonstrate satisfactory completion of work.

Continues on following page

IV. Budget & Schedule

The estimated level of effort required to complete the tasks identified above is provided in the following tables:

Labor	Task 1		Task 2	
	Hours	Cost	Hours/Unit*	Cost
Contractor – trenching & backfill			7500 ft @ \$1.40/ft	\$10,500.00
Contractor – pipe installation			7500 ft @ \$1.50/ft	\$11,250.00
Contractor – installation of service line and mainline tie-ins			7 @ \$575	\$4,025.00
McClave Staff (\$25/hour) <i>In-Kind Contribution**</i>	40	\$1,000.00	40	\$1,000.00
Totals		\$1,000.00		\$26,775.00
Grand Total				\$27,775.00

Equipment	Task 2	
	Amount/Unit	Cost
HDPE Pipe 3 inch @ 200 psi	4500 ft @ \$2,95/ft	\$13,275.00
HDPE Pipe 2 inch @ 200 psi	3000 ft @ \$1.37/ft	\$4,110.00
Service line tie-ins	5 @ \$850/each	\$4,250.00
Main Line Tie Ins	2 @ \$950.00	\$1,900.00
Valves, fittings, hardware		\$3,500.00
Total		\$27,035.00**

Labor \$27,775.00
Equipment \$27,035.00

Total \$54,810.00
Less Contribution \$6,800.00

Grant Request \$48,010.00

* Contractor bid pricing for labor is by the linear foot, rather than by the hour.

**Applicant's financial contribution of \$4,800.00 will be applied to the last payment for equipment purchased to complete Task 2. The \$2,000.00 in labor costs associated with McClave staff board time is also an in-kind contribution.

Work on this project will commence upon receipt of a contract.

It is anticipated that the project will be completed by August 31, 2016. A final report/deliverables will be provided within four weeks of completion.

Task	May 2016	June – Aug 2016
1 – Site preparation		
2 – Distribution line replacement		