



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 01-10-2016

Orchard Ranch Ditch Company Pipe Project

### Name of Water Activity/Project

Orchard Ranch Ditch Company

### Name of Applicant

Gunnison Basin  
Roundtable

Amount from Statewide Account:

25,000.00

Amount from Basin Account(s):

25,000.00

Total WSRA Funds Requested:

50,000.00

### Approving Basin Roundtable(s)

*(If multiple basins specify amounts in parentheses.)*

FEIN# 84-1493409

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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)

## **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 (CWCBC). 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 CWCBC 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 CWCBC 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](mailto: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](mailto:craig.godbout@state.co.us).

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

1.	Applicant Name(s):	Orchard Ranch Ditch Company		
	Mailing address:	PO Box 104 Eckert, CO 81418		
	FEIN #:	84-1493409		
	Primary Contact:	Robert E. Morris	Position/Title:	President
	Email:	rmr@redmountainranches.com		
	Phone Numbers:	Cell: 970-234-3805	Office:	970-856-3803
	Alternate Contact:	Paul Kehmeier	Position/Title:	Vice President
	Email:	Paul-Kehmeier@msn.com		
	Phone Numbers:	Cell: 970-779-0723	Office:	970-835-3004

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.

3. Provide a brief description of your organization

The Orchard Ranch Ditch Company was formed in 1910 and incorporated on 08-20-1915. The company has 17,280 Shares and at present there are 42 stockholders. The company has a board of three directors. The ditch company serves approximately 350 acres of crops including alfalfa, pasture land, small grain, fruit orchards and three (3) housing subdivisions. A ditch rider is employed to administer flows. The company administers decree flows and also reservoir water owned by individual stockholders.

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

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 (ORDC has applied for and received a CWCB loan.)

☐ 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.  
Tabor does not affect mutual ditch companies.

## 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.

This project serves agriculture and three subdivisions. It will save lost water and greatly reduce the company's liabilities associated with an open ditch. A pressurized pipe will be installed. It will allow users the option of using sprinklers. The project will keep approximately 1000 tons of salt from entering the Colorado River each year. (USBR estimate) The area served by the piping project has selenium and it is likely the project will decrease the amount of selenium entering the Gunnison River. Selenium causes negative impact on endangered native fish in the river. This project helps protect two decrees granted by the State of Colorado prior to 1922 by ensuring their continued use by the Orchard Ranch Ditch Company.

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?

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)

10,800 Length of Pipe/Canal Built or Improved (linear feet)

154 AF Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

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

Latitude:

38.846224

Longitude:

-107.962384

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 ORDC project entails changing 10,800 feet of main canal and laterals to a pressurized pipe delivery system for irrigation water owned by the stockholders. The project included all aspects of feasibility, engineering design, construction and wildlife habitat replacement. The main objective of the project will be to eliminate water loss, due to seepage lessening liability issues encountered with an open ditch and eliminating salt load of approximately 1000 tons per year from the Gunnison River. It will also decrease the amount of selenium entering the river. The company applied to the US Bureau of Reclamation in 2012 but was rejected because our salt load costs were too high. The company applied again in 2015. The directors and stockholders agreed that to be more competitive we would need to put in some funds of our own in the form of a CWCB loan of \$150,000.00. We have received approval by the Bureau of Reclamation and the stockholders approved applying for a CWCB loan. However, the loan repayment will double the yearly assessments for a span of 30 years. This will place a strain on most shareholders. The board of directors has agrees to seek a package of grants to diminish the burden on the shareholders

WSRA funding would be used to pay for 3.49% of the actual pipeline installation or a total of 50,000. The ditch company is currently in the contracting phase for the Bureau of Reclamation grant of \$1,281,000 which has been approved for this project.

### 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.<sup>1</sup>  
This project does not change or transfer any water rights. Piping the ditch will allow stockholders to receive their full allotment with no loss of water due to seepage.

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.

Pending final Round Table review. The Round Table gave the project a tier 1 rating in 2015.

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<sup>1</sup> 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.<sup>2</sup> 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.

This project will result in a change of consumptive use, as past lost water will be available for irrigation. This project will provide for continued appropriation and beneficial use in Colorado of Senior decrees. It will aid in meeting the needs of agriculture in the state. The water saved from the main canal seepage will be consumed on the fields and consumptive use will indeed increase.

- 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)

WSRA Funds---	50,000—	3.49 %	Applied for
Colo River Dist-	25,000—	1.7%	Applied for
USBR Funds---	1,280,721—	89.5%	Obtained
ORDC-----	75,000-----	5.24%	CWCB Loan
Total=	1,430,721		

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<sup>2</sup> 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.





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.**

Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.  
**Please attach additional pages as necessary.**

Tier 1

- A) Project will serve agriculture and stockholder yard needs.
- B) ORCD is the applying entity. The project will greatly reduce salt load in the Colorado River.
- C) The project has been addressed in Gunnison Round Table's water needs assessment. The Gunnison Round Table has ranked the project as #3 in priority for ditches in the Surface Creek area with a tier 1 rating.

Tier 2

- D) Funding from WSRA is needed to offset some of the loan. The company is committed to the project and is committed to timely repayment of a CWCB loan that has been approved, but loan repayment will be less burdensome to the shareholders if funding from the WSRA is granted.
- E) Matching funding—The Company has performed one feasibility study and spent many documentable hours in pursuit of funding. The Bureau of Reclamation funds will provide 89.5% of needed money.

Tier3

- F) Project would sustain agriculture and meets environmental needs. No recreation is involved.
- G) Project aids in administration of pre compact waters. It will promote maximum utilization and availability of state waters.
- H) No known threatened or endangered species, however a survey will be conducted as part of a USBR required Environmental Assessment.
- I) Project would benefit Colorado by enabling serviced acreage to remain in agriculture.
- J) CWCB will be involved via a loan.

#### 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.

ORDC uses water from Surface Creek of the Gunnison River in Eckert Colorado. There are no water right issues.

<u>Decree#</u>	<u>Adjudication date</u>	<u>Approp date</u>	<u>Amt CFS</u>	
4(c.a.0038)	6-17-1989	2-21-1883	5.7CFS	The ORDC transports an average of 2204 AF/YR
27(c.a.0457)	9-28-1907	6-17-1889	6.45CFS	1782 is decree
K46(c.a.4808)	1-31-1964	6-1-1920	<u>10CFS</u>	422 is reservoir
			22.15CFS	Div. 4, Dist. 40
				Div. of water Resources

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

A feasibility study was performed in 2012 by Harward Engineering in conjunction with a funding application to USBR to reduce the salt load. This was not eligible for funding. Another study was done in 2015 by JUB Engineers and was approved for funding by the Bureau of Reclamation.

There are no permitting issues.

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.

## **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.

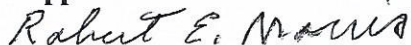
## Water Supply Reserve Account – Application Form

Revised October 2013

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

**Signature of Applicant:** Robert E. Morris



**Print Applicant's Name:** Orchard Ranch Ditch Company

**Project Title:** Orchard Ranch Ditch Company Pipe Project

**Date:** 12-29-15

**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](mailto:craig.godbout@state.co.us)