



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 01/02/2017

Town of Norwood Raw Water System

Name of Water Activity/Project

Town of Norwood, Colorado

Name of Applicant

Southwest Basin Roundtable

Amount from Statewide Account:

Amount from Basin Account(s):

Total WSRA Funds Requested:

\$50,000.00

\$50,000.00

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN: 84-6000701

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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

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

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

1.	Applicant Name(s):	Town of Norwood, Colorado		
	Mailing address:	PO Box 528 Norwood, CO 81423		
	FEIN #:	84-6000701		
	Primary Contact:	Patti Grafmyer	Position/Title:	Town Administrator
	Email:	grafmyer@norwoodtown.com		
	Phone Numbers:	Cell: N/A	Office:	970-327-4288
	Alternate Contact:	Finn Kjome	Position/Title:	Water Commission
	Email:	fkjome@hotmail.com		
	Phone Numbers:	Cell: N/A	Office:	970-327-4288

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 Town of Norwood is a statutory town located in San Miguel County, Colorado. The Town owns the current extent of water delivery infrastructure. The Norwood Water Commission is comprised of six members and owns the water rights that will be used in the Town of Norwood Raw Water System project. The Commission operates and maintains the system infrastructure and water treatment plant.

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

N/A

5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

☒ The Applicant will be able to contract with the CWCB using the Standard Contract

☐ The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.

The Town of Norwood is “de-Bruced” and will not face any TABOR issues that will affect the application.

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.

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)

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

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

Area of Restored or Preserved Habitat (acres)

Other -- Explain:

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

Latitude:

38.1305° N

Longitude:

108.2923° W

5. Please provide an overview/summary of the proposed water activity (no more than one page).

The Town of Norwood Raw Water System (RWS) will deliver a portion of current agricultural water shares to Town water customers for lawn and garden irrigation purposes. The multi-purpose project is designed to increase Norwood's overall water security during draught; decrease the usage of the Town's municipal water supply for irrigation, thus freeing up municipal water for future growth and development; lessen demand upon the Norwood water treatment plant and defer the need for plant expansion; and to provide chloramine-free water for gardens, lawns, trees, shrubs and other irrigation needs. Funds from the Basin WSRF Grant will be utilized to complete the full build-out of the RWS within Town boundaries.

The Norwood Raw Water System is poised to provide specific, quantifiable benefits to the Town and its water supply. Currently, residents of Norwood rely upon municipal water for irrigating their properties. As the proposed RWS will not draw from municipal sources, the project will contribute to extending Norwood's municipal water capacity. This allows for both greater water security during draught and an increase in the availability of treated water for future population growth. The project directly contributes to meeting the needs of future municipal and industrial water demand in Norwood. Furthermore, this ensures that the Town will not need to immediately utilize other water rights, which may be costly to develop or purchase. The RWS will alleviate demand upon Norwood's water treatment plant—it is estimated that the plant currently runs at 36% capacity in the winter and 71% capacity during irrigation season. Domestic water billing also shows that of the 362 taps within Town boundaries, 285 use treated, domestic water for irrigation. Installation of the RWS will have the direct benefit of decreasing use of treated water, thereby contributing to extending the life of the water treatment plant and deferring the need for a costly expansion. Simultaneously, the project will help conserve energy as a result of reducing water treatment for irrigation.

The RWS will provide an economically viable and sustainable way for the Town's water customers to irrigate their gardens, lawns and landscaping with chloramine-free water. Such an opportunity will enhance the livability of the Town and has the potential to increase property values and promote population growth. The higher quality of life afforded by the RWS converts directly into fiscal benefits—an increased tax base, fueled by long-term, high quality employees and residents, will be a tremendous economic boon for the Town and greater region.

Norwood is quickly developing into a regional food hub for the western San Juan Mountains. Within recent years, the Town has seen the creation of a community garden, youth garden and food co-op. Local producers are providing low cost, high quality produce to regional farmer's markets, CSAs and restaurants. Access to "plant-friendly", chloramine-free water will greatly enhance these local operations and attract new producers to the area.

The RWS is an identified project on the IPP (23-SM) that meets an identified water gap and addresses the Town's municipal water need. Moreover, it is a multi-purpose project that solves several of Norwood's municipal water concerns and enhances the Town's overall water security. The project decreases the amount of municipal water that is used outside of the home. The RWS will help Norwood, and thus the greater San Miguel River Basin, meet its future residential, commercial and industrial

demand. The following BIP goals and measurable outcomes are specifically addressed by the RWS:

A. Balance All Needs and Reduce Conflict	
Goal	Measurable Outcomes
A1	2
A3	
C. Meet M&I Water Needs	
Goal	Measurable Outcomes
C1	1
C3	2
	4

Part III. –

Threshold and Evaluation Criteria

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 project is consistent with the statute in that it will not supersede, abrogate, or otherwise impair the system of allocating water in the State.

- 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

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.

from the roundtable chair simply reference that letter.

See letter from Roundtable Chair

- 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 project will help to meet the needs of the consumptive uses of the San Miguel River Basin by alleviating the current demand on the Town's municipal and industrial water supply. Town residents currently utilize municipal water for irrigating their lawns, gardens and trees. Indeed, of the 362 water taps located within Town boundaries, 285 use municipal water for such purposes. The RWS will make shares of agricultural water currently owned by the Norwood Water Commission available to residents for irrigation, thus lessening demand upon the Town's municipal water supply. With municipal and industrial water demand projected to more than triple in San Miguel County by 2050, the project is an important step for Norwood to take to bolster its ability to meet future increases in municipal and industrial water demand.

- 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.

Source	Amount	Status
San Miguel County	\$25,000	Secured, available in 2017
68 taps sold as of 1/2/2017	\$170,000	Secured, available in 2017
39 additional taps from interested parties	\$109,000	Pending
Hermitage Trust	\$5,000	Secured, available in 2017
Southwest Water Conservation District	\$175,00	Secured, available in 2017
Town of Norwood	\$25,000	Secured, spent in 2016
Norwood Water Commission	\$2,500	Secured, available in 2017
Colorado Water Conservation Board	\$47,000	Secured, spent in 2016

For Applications that include a request for funds from the **Statewide Account**, describe how the water

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.

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.**

N/A

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.

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

Part IV. – Required Supporting Material

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

Farmers Water Development Company (FWDC) contract water for 300 acre feet is considered to be the core supply for long-term municipal/domestic needs of the Town and Norwood Water Commission (NWC) service area, and is not considered to be appropriate for the RWS. The remaining water that could be utilized by the Town, and the most logical source for the RWS, is the 119 shares of FWDC water owned by the NWC. The 119 shares (Gurley Reservoir and direct flow) are estimated to provide 286 AF (2.4 AF per share) of water supply annually. This volume is dependent upon the amount of water stored in the Gurley Reservoir and the amount of direct flow from the stream each year. Direct flow is allocated to the Gurley System at a rate of 1 cfs per 40 shares. NWC's 119 shares equate to 2.98 cfs of direct flow water.

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

In March 2016, Bikis Water Consultants, a division of SGM, delivered a Raw Water System Feasibility Study to the Town. The study is attached as Exhibit D. There are no permitting issues associated with the project.

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.

See Exhibit A.

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

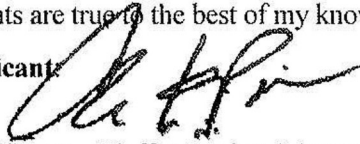
Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for 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: Kieffer Parrino, Mayor

Project Title: Town of Norwood Raw Water System

Date: 12/28/2016

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