



# COLORADO WATER CONSERVATION BOARD



## WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 4/27/17

Upper Stewart Ditch Pipeline Project

### Name of Water Activity/Project

Stewart Ditch and Reservoir Company (SDRC)

### Name of Applicant

Gunnison Basin Roundtable

Amount from Statewide Account:

\$ 205,000

Amount from Basin Account(s):

\$ 20,500

Total WSRA Funds Requested:

\$225,500

### Approving Basin Roundtable(s)

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

FEIN: 84-0329150

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### Required Exhibits

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

### Appendices – Reference Material

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

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### **Instructions**

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (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).

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

1.	Applicant Name(s):	Stewart Ditch and Reservoir Company (SDRC)		
	Mailing address:	PO Box 386 Paonia, CO 81428		
	FEIN #:	84-0329150		
	Primary Contact:	Karl Burns	Position/Title:	President
	Email:	kandjburnsranch@paonia.com		
	Phone Numbers:	Cell: 970-275-1727	Office:	970-527-6640
	Alternate Contact:	Susan Miller	Position/Title:	Treasurer
	Email:	smiller0472@gmail.com		
	Phone Numbers:	Cell: 719-207-0472	Office:	970-527-3851

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

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

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3. Provide a brief description of your organization

The Stewart Ditch and Reservoir Company (SDRC) is located near Paonia, Colorado in Delta County at an elevation of 5700 feet. SDRC started operations around 1904. The SDRC is privately owned by 245 shareholders representing about 2726 irrigated acres, consisting mostly of agriculture use. The Stewart Ditch is 53,360 linear feet (lf) long. It is mainly unimproved earthen ditch with the exception of 243 lf of concrete lining and 6580 lf in pipe.

SDRC has total of water rights on the North Fork of the Gunnison River of about 60 CFS. SDRC diverts 57.81 of senior water rights when the river goes “on call.” We divert an average of 50.96 cfs irrigation water from the North fork of the Gunnison River for an average of 173 days/year with water decrees dating back prior to 1910. The ditch typical starts diverting water from the North Fork of the Gunnison River for irrigation purposes starting April 15 and ending around the third week in October. During the winter months, 10 cfs is diverted for use as winter water for all users on the ditch.

In 2010, the Stewart Ditch applied for and was award a \$6 million BOR grant. This grant enabled SDRC to replace the lower portion of the open canal and all the service connections with PVC pipe in 2012-2013. The SDRC BOR grant replaced approximately 12 miles of open canal with pressurized PVC pipe. By managing construction costs and material prices, SDRC was able to complete this initial grant under budget. The BOR accepted SDRC’s petition to extend the project and SDRC completed the piping of an additional 3000’ of open ditch in 2015.

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.

N/A

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### Part II. - Description of the Water Activity/Project

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

☐ Nonconsumptive (Environmental or Recreational)

☒ Agricultural

☐ Municipal/Industrial

☐ Needs Assessment

☐ Education

☐ Other Explain:

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

The purpose of this project is to continue the piping on the existing Stewart Ditch upstream towards the river. The results will reduce seepage into the ground and thus reduce agriculture water loss. The pressurized piping system makes the use of more efficient irrigations systems (pivot sprinklers, etc.) more economical for the landowner to implement. The salinity will be reduced by both the piping of the water delivery system and the use of more efficient irrigations systems. Therefore, this project helps downstream irrigators, river flows and fish and aquatic life.

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:

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

Latitude: N 38.914337

Longitude: W107.544147

5. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

**The WSRA funding requested for this project should be awarded conditional pending SDRC winning a BOR grant proposal with scheduled contract award for winning contractors in November of 2017. This proposal should not be awarded if SDCR's BOR proposal is not funded.**

**SDRC's proposal submitted for the 2016 BOR Salinity Program was within the competitive range. However, our proposal ranking based on the BOR cost per pound left our proposal below the available funding line. Our proposal was not funded. We know that non-BOR money sources helped other projects win their BOR grants in 2016. The WSRA funding requested (\$225,500) and the in-kind project management support provided by SDRC (\$177,600) will reduce the BOR cost per pound of salt by 13.41%. Based on our experience, we believe that this reduction will move our 2017 BOR proposal into the awarded contract group.**

### **Project Summary -**

The proposed Upper Stewart Ditch Pipeline Project will replace 14,221 feet of existing earthen canal, 243 feet of existing old concrete pipe and 1536 feet of old corrugated metal pipe, with 16000 feet of pressure pipe designed for a 51cfs flow.

This section of Stewart Ditch open canal starts 16,000' upstream above the existing screen structure that was installed as part of the SDRC 2010 BOR salinity grant. See Exhibit B for picture of the entire SDRC ditch system and a close-up view of the section to be piped during this project.

The proposed Upper Stewart Ditch Pipeline Project will be completed in a three task project –

- Task 1 – Engineering and Analysis; Task 1.1 Final Design (Construction Plans, define all materials required, order materials, develop all job requirement to be bid); Task 1.2 NEPA Analysis and Report; Task 1.3 Cultural Resources Field survey and report; Task 1.4 Habitat Replacement Survey and HR Plan
- Task 2 - Implementation HR Plan and NEPA Construction Oversight
- Task 3 – Pipeline Construction
- Task 4 – A-133 Audit (Required by BOR)

The WSRA funding will be used to buy pipe.

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### Part III. – Threshold and Evaluation Criteria

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

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

All water rights impacted by this project are owned by SDRC. All impacts on these water rights are positive. The project reduces irrigation water salt loading (1721 tons/year), and reduces irrigation water losses due to evaporation and seepage by converting an open irrigation ditch system section into a piped water delivery system section.

- 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.

TBD

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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.

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- 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.

The water activity assist in meeting the water supply needs by reducing irrigation water salt loading (1721 tons/year), and reducing irrigation water losses due to evaporation and seepage by converting an open irrigation ditch system section into a piped water delivery system section.

- 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 but not limited to Basin Funds. A minimum match of 5% of the total grant amount shall be from Basin funds. A minimum match of 5% of the total grant amount must come from the applicant or 3rd party sources. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the contract or purchase order between the applicant and the State of Colorado is executed. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

The total project cost is \$3,003,023.85. The total request for Statewide funds is \$205,000. The Basin funds request is for \$20,500. Total BOR funds are \$2,599,923.85. The total SDRC in-kind match is \$177,600. The Basin funds are 10.0% of the Statewide funds. The total project funding percentage for each project funding partner is:

		project %
Total SDRC inkind cost share	\$177,600.00	5.91%
total statewide	\$205,000.00	6.83%
total RT	\$20,500.00	0.68%
total BOR	\$2,599,923.85	86.58%
total project cost	\$3,003,023.85	100.00%

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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.

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

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

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

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

### **Tier 2: Facilitating Water Activity Implementation**

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

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

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

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- 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.**

### **Project Relative to Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs**

b. and c. –The project increases irrigation efficiency and reduces downstream salt loading. Both of these out comings directly address intrabasin on the western slope and interbasin for the Gunnison Basin concerns with downstream flows and water quality. The project reduces irrigation water loss which helps address Colorado’s future water needs.

### **Project Relative to Tier 2: Facilitating Water Activity Implementation**

d. and e. – As can be seen below, the funding from the Statewide and Basin accounts are significant and will greatly enhance the ability to receive the BOR funding. The total project funding percentage for each project funding partner is:

		project %
Total SDRC inkind cost share	\$177,600.00	5.91%
total statewide	\$205,000.00	6.83%
total RT	\$20,500.00	0.68%
total BOR	\$2,599,923.85	86.58%
total project cost	\$3,003,023.85	100.00%

### **Project Relative to Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits**

f., g. and i. – The project increases irrigation efficiency and reduces downstream salt loading. Therefore, the project has a positive impact on f., g., and i.

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### Part IV. – Required Supporting Material

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

The water supply source is the North Fork of the Gunnison River. This project will have no impact on the North Fork of the Gunnison River.

All water rights impacted by this project are owned by SDRC. All impacts on these water rights are positive in that the project reduces irrigation water salt loading (1721 tons/year), reduces irrigation water losses due to evaporation and seepage by converting an open irrigation ditch system section into a pressurized piped water delivery system section.

Addition information on the water rights follows.

Water Decrees – North Fork Headgate

#### **BEFORE 1922:**

50.75 CFS	1904	SD&RC
7.04 CFS	1901-04	TROPIC
57.79 CFS		SUBTOTAL – PRE-1910
0.50 CFS	1914	SD&RC
0.43 CFS	1914	SD&RC

#### **POST 1922:**

19.25 CFS	1930	SD&RC
20.18 CFS		SUBTOTAL – POST 1910

77.97		TOTAL – NORTH FORK HEADGATE
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2. Please provide a brief narrative of any related studies or permitting issues.

N/A

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### 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.

The required SOW, Budget and Project Schedule is presented in 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.

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

Signature of Applicant: *Karl Burns*

Print Applicant's Name:

*Karl Burns*  
Project Title: *Upper Stewart Ditch Pipeline Project*

Date: *4-30-17*

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)