



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

September 11, 2017

St. Charles Mesa Water District
Attn: David Simpson, General Manager
1397 Aspen Road
Pueblo, CO 81006

RE: Notice to Proceed – WSRF Grant – POGG1 2018-370 Long-Term Potable Water Supply to the Zinno Subdivision

Dear David,

This letter is to inform you that the grant request to assist in the above WSRF grant project has been approved. The attachments serve as your original contracting documents.

With the executed agreement, you are now able to proceed with the project and invoice the State of Colorado for costs incurred through December 31, 2019. Please provide the project name, POGG1 number, and basin when corresponding with or invoicing for your project along with back-up documentation of cost incurred for the WSRF portion of the grant according to the original scope of work. Upon receipt of your invoice(s), the State of Colorado will provide payment no later than 30 days after review and signed approval of the project manager.

Please refer to the current WSRF Criteria & Guidelines on our website for the six month progress report and final deliverable requirements in order to avoid a delay in payment. A 60-day advance notice is required in the event you are seeking an additional amendment to the term of this agreement. An official letter of request to the CWCB project manager briefly describing the need for the extension, updated insurance certificates (if applicable) and an updated schedule reflecting the specific tasks that require additional time to complete is required.

If you have any questions or concerns regarding the project, please contact Anna Mauss, Project Manager at 303-866-3441 3224 or at Anna.Mauss@state.co.us. Please send the 6 month progress reports and invoices directly to Anna.

You can also contact me at 303-866-3441 ext. 3250 for additional contacting, invoicing and payment disbursement questions.

Thank you.

Sincerely,

//s//

Doriann Vigil

Program Assistant II

O 303-866-3441 ext. 3250

1313 Sherman Street, Rm. 719, Denver, CO 80203

Dori.vigil@state.co.us / cwcb.state.co.com





STATE OF COLORADO
Department of Natural Resources

ORDER		** IMPORTANT **				
Number: POGG1 PDAA 201800000370		The order number and line number must appear on all invoices, packing slips, cartons and correspondence				
Date: 09/11/17						
Description: PDAA 2500 LONG TERM WTR SUPPLY ZINNO SUBDIVISION		BILL TO COLORADO WATER BOARD CONSERVATION 1313 SHERMAN STREET, ROOM 718 DENVER, CO 80203				
Effective Date: 09/11/17 Expiration Date: 12/31/19						
BUYER		SHIP TO				
Buyer:		COLORADO WATER BOARD CONSERVATION				
Email:		1313 SHERMAN STREET, ROOM 718 DENVER, CO 80203				
VENDOR		SHIPPING INSTRUCTIONS				
ST CHARLES MESA WATER DISTRICT 1397 S ASPEN RD PUEBLO, CO 81006-1697		Delivery/Install Date: F.O.B: FOB Dest, Freight Allowed				
Contact: .		VENDOR INSTRUCTIONS:				
Phone: .						
Line Item	Commodity/Item Code	UOM	QTY	Unit Cost	Total Cost	MSDS Req.
1	G1000		0	0.00	\$25,000.00	<input type="checkbox"/>
Description: PDAA 2500 LONG TERM WTR SUPPLY ZINNO SUBDIVISION						
Service From: 09/11/17 Service To: 12/31/19						
Line Item	Commodity/Item Code	UOM	QTY	Unit Cost	Total Cost	MSDS Req.
2	G1000		0	0.00	\$50,000.00	<input type="checkbox"/>
Description: PDAA 2500 LONG TERM WTR SUPPLY ZINNO SUBDIVISION						
Service From: 09/11/17 Service To: 12/31/19						
TERMS AND CONDITIONS						
https://www.colorado.gov/osc/purchase-order-terms-conditions						
DOCUMENT TOTAL = \$75,000.00						

Exhibit A

Statement of Work

Updated 8/22/17

WATER ACTIVITY NAME – Long-Term Potable Water Supply for Zinno Subdivision Project
GRANT RECIPIENT – St. Charles Mesa Water District
FUNDING SOURCE – CWCB WSRA Statewide Account \$50,000 and Basin Account \$25,000

INTRODUCTION AND BACKGROUND

The scope of work for this project is to annex the Zinno Subdivision into the St. Charles Mesa Water District (SCMWD) service area and install a new distribution system, service lines and meters. The Zinno Subdivision is located in eastern Pueblo County on the St. Charles Mesa.

The scope of work for this project is to annex the Zinno Subdivision (97) water taps) into SCMWD and construct a new distribution system, service lines, and meters. Currently the sole source of water for the subdivision is a shallow 43 feet deep well. Due to poorly maintained infrastructure power outages, pump failures and main breaks the subdivision has experienced numerous interruptions in service. The most serious have caused disruptions in service of up to two weeks. The interruptions in service are mostly due to poorly maintained infrastructure that has been neglected for many years. In addition, the residents have complained about the poor water quality coming from their tap. The water has a foul taste and is considered by most to be undrinkable. The residents of the Zinno Subdivision are actively seeking a remedy, which would provide them with continuous, quality, potable water service and stable use rates. SCMWD is willing to assist the subdivision with procuring a reliable and potable water supply by including them in their District boundaries and constructing new infrastructure in order to deliver a secure water supply to the water users in the subdivision.

The consequences of not being able to receive water from SCMWD would be the residents of the Zinno Subdivision would continue to rely on the undependable and poor quality water service. The result could entail severe restrictions, variable and frequent increases in water rates due to the need to procure funds for maintenance, and the potential for extended periods of interrupted water service due to infrastructure breakdowns and lack of capital for controlled maintenance activities. In addition, their water supply would continue to be unreliable, of poor quality, and their property values would continue to decline.

By receiving potable water from the SCMWD it would eliminate the health and safety risks associated with the current water system. Residents will receive a long-term, safe, and reliable water supply. New fire hydrants will be installed to reduce the chances of a catastrophic fire event. The new water system infrastructure will reduce the need of tearing up roadways to repair leaks. Old dilapidated roadways will be totally resurfaced. New copper service lines and accurate radio-read meters will be used to correctly measure the amount of water homeowners are using and being charged for. The water that is currently being wasted by leaking water mains and pipes will no longer be wasted due to a new delivery system being constructed.

The residents of the Zinno Subdivision created a local Water Users Association in 2009 and have actively been looking for ways to secure a dependable water supply since that time. They do not have the financial ability to pay for the entire project themselves. In the fall of 2015 representatives of the Association approached the Lower Arkansas Valley Water Conservancy District (LAVWCD) for assistance. The LAVWCD has provided funding to the Water Users Association to cover legal costs, to explore various sources of funding, to open a dialogue with SCMWD, and to manage the project. The LAVWCD has been instrumental in providing necessary resources to the Association to move this project forward. Without this valuable support the Association would most likely continue to struggle to find a solution, as it has for the past several years. The financial support the Zinno Water Users Association has received from the LAVWCD has moved this project forward.

The Association's mission is to provide the subdivision with a reliable potable water supply if it could be accomplished for prices comparable to what they are currently being charged. At a Water Users Association meeting held on February 11, 2016 the membership overwhelmingly directed the Board to explore a relationship with SCMWD. This relationship has resulted in SCMWD agreeing to pursue grant and loan funding for the construction of the subdivision's new water infrastructure. On March 15, 2016 the Zinno Water Users Association signed a Memorandum of Understanding (MOU) with St. Charles Mesa Water District. The MOU is included as Attachment 4. The MOU defines the agreement between the two parties with respect to the financing and construction of a new water system infrastructure for the subdivision. SCMWD has studied how the cost of the project could be paid. The Zinno Subdivision customers would be assessed additional charges to cover the costs and to repay a Colorado Water Resource and Power Development Association (CWRPDA) loan. The new surcharge is estimated to be around \$60 a month. The water users are currently paying \$100 a month for water service, in addition to fees for the amount of water they use. This assessment will begin when construction is completed. This special assessment will last approximately 10 years, until the loan is paid. At that point the customers in the Zinno Subdivision will be charged accordingly like other customers of SCMWD. When this project is completed the users water rates will be reduced significantly while enjoying the necessity of having a reliable potable water supply.

The Zinno Water Users Association agreed to commence a Declaratory Judgment Action seeking a court determination that by providing water to members of the subdivision that desire water service from SCMWD it does not constitute a condemnation of the property of Joseph Water Corporation (current water provider) by SCMWD and does not constitute unlawful interference with any of Joseph Corporation's economic interests by SCMWD. On March 24, 2016, the Zinno Water Association began circulating forms among its membership seeking annexation into the SCMWD service area boundaries, understanding that even if a parcel of property is annexed into SCMWD there is no requirement that the member obtain water from SCMWD and each member is free to obtain potable drinking water from whatever source the member desires. These initial steps are necessary for completing the process of including the Zinno subdivision into the SCMWD service area. On August 7, 2017 a Court Order was signed stating the subdivision may receive water service from SCMWD and by doing so, it does not constitute a condemnation of the property of Joseph Water Corporation. A Declaration was signed by Joseph Water Corporation, SCMWD and the Zinno Water Users Association that defined the terms of the agreement. The Court Order and Declaration resolved all legal matters and has opened the door for this project to move forward.

OBJECTIVES

There are three objectives included in the proposed scope of work.

1. Planning for the integration of the Zinno Subdivision into the St. Charles Mesa Water District.
2. Construction Project to install water infrastructure to enable the Zinno Subdivision to receive potable water from St. Charles Mesa Water District.
3. Project and Grant Management

TASKS

(Task 2 is the only task to be paid by WSRF. Tasks 1 and 3 are listed as reference for the total project costs.)

1. Planning and Project Management- Integration of the Zinno Subdivision into the St. Charles Mesa Water District.

This task includes annexation of the Zinno Subdivision into the St. Charles Mesa Water District as well as surveying, geotechnical testing, and engineering.

2. Construction – Repair existing water supply (Paid by WSRF)

This task includes locating and repairing the existing water supply in preparation for connection with the St. Charles Mesa water system.

3. Construction – Installation of new potable water system, meters, and reconstruction of roadways.

This task includes installation of the new potable water system including a new main, new taps, and reconstructing the roadways that are cut during construction.

4. Project and Grant Management

This task will manage all project documents for all tasks and will be responsible for managing multiple grants.

REPORTING AND FINAL DELIVERABLES

Reporting: St. Charles Mesa Water District 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, SCMWD shall provide the CWCB a final report that summarizes the project and documents how the project was completed.

This report may contain photographs, contracts, and engineering reports/designs.

DETAILED BUDGET

CWCBS WSRA GRANT DETAILED PROJECT BUDGET								
Task	SCOPE OF WORK TASK EXPLANATIONS	Total Task Cost	DOLA Grant	CWRDA Loan	USDA Grant	CWCBS WSRF Grant	Other Grants	Pueblo County
1	Planning & Project Management for the integration of the Zinno Subdivision into the SCMD	\$53,500					\$ 53,500	
2	Construction- Locate & repair existing water supply	\$75,000				\$75,000		
3	Construction - New potable water system	\$ 1,037,086	\$ 342,743	\$ 269,343	\$153,550		\$ 71,450	\$ 200,000
4	Project and Grant Management	\$15,000			\$15,000			

PROJECT SCHEDULE

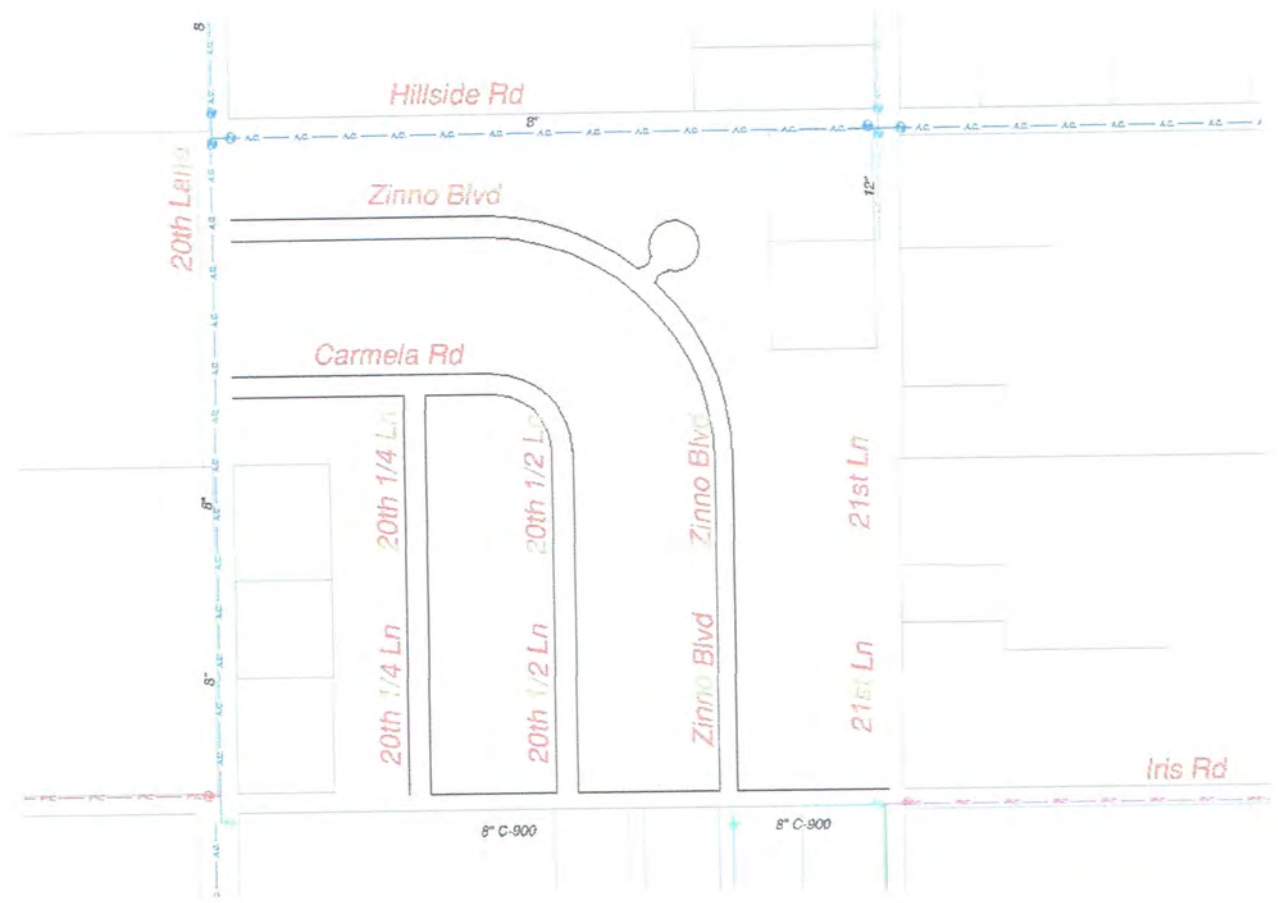
Task	Start Date	Finish Date
1 -Planning for the integration of the Zinno Subdivision into the SCMWD	September 1, 2017	December 31, 2018
2 - Construction- Locate & repair existing water supply	October 1, 2017	October 1, 2018
3 - Construction - New potable water system	November 1, 2017	December 31, 2019
4 - Project and Grant Management	September 1, 2017	December 31, 2019

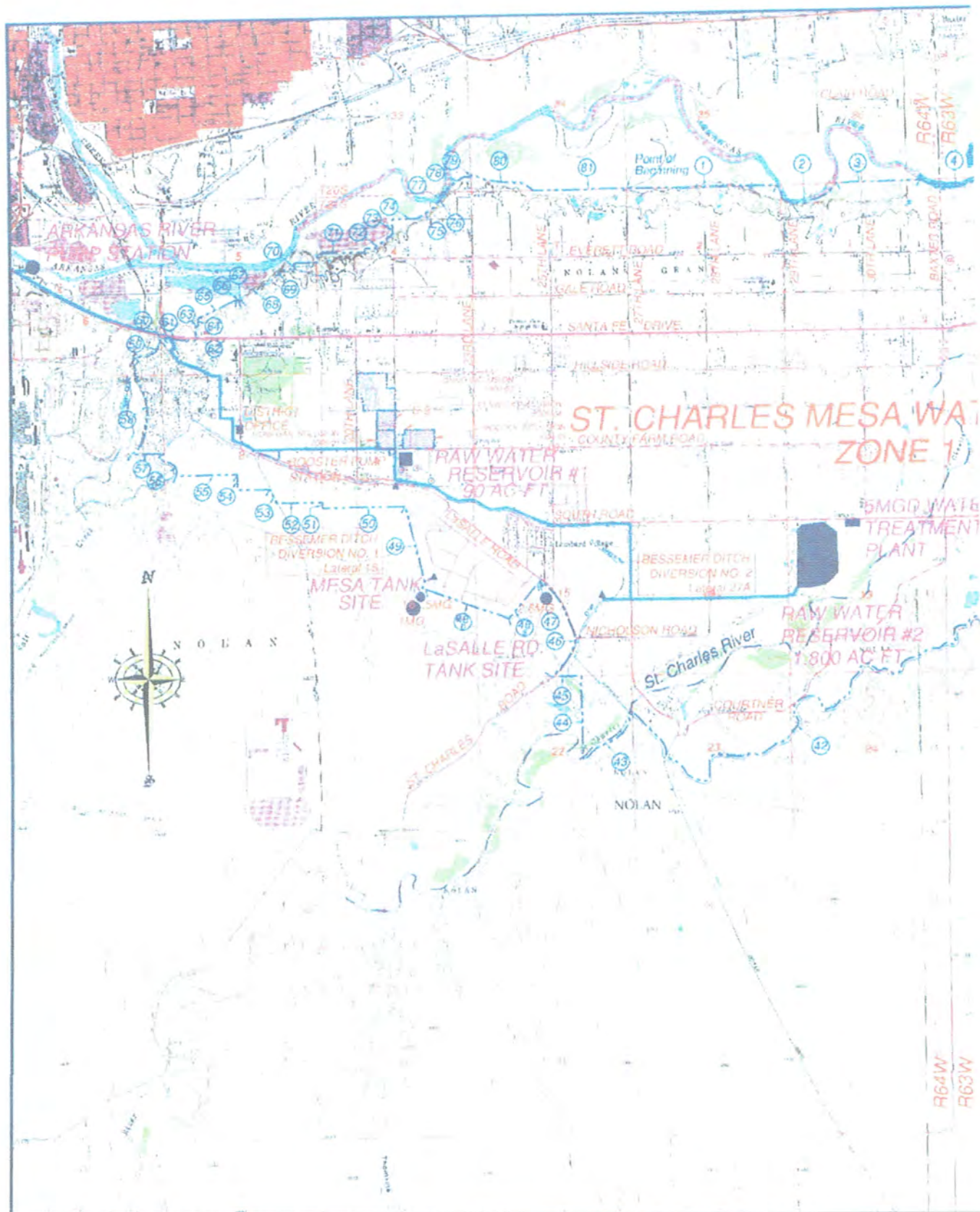
ATTACHMENT 1

Map of Zinno Subdivision

Map of
St. Charles Mesa Water District
Service Area

Map of Zinno Subdivision





Computer File Information
 Creation Date: 12/23/2009 Initials: KAT
 Last Modification Date: 5/27/2010 Initials: KAT
 Full Path: C:\Work\GIS\General DB Map 5272010
 Drawing File Name: Plot1
 Acad Version: 2004 Scale: 1"=2000' Units: feet

**Young
Technology
Group**

Civil Engineering
 Planning & Development
 Construction Management
 Product Development

2000 0 2000
 Scale: 1"=2000'