



GRANT AGREEMENT AMENDMENT #1

SIGNATURE AND COVER PAGE

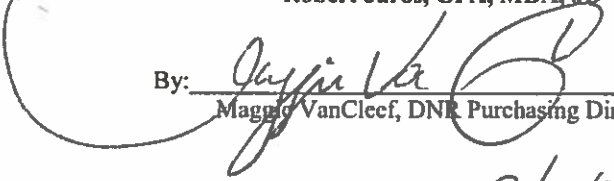
State Agency Department of Natural Resources Colorado Water Conservation Board 1313 Sherman Street, Denver Co 80203	Original Grant Agreement Number CMS# 66189 CTGG1 2015-370
Grantee and Address Lake Durango Water Authority 755 East 2 nd Avenue, Suite 2B Durango, CO 81301	Amendment Grant Agreement Number CMS# 112806 CTGG1 2015-370
Current Grant Agreement Maximum Amount (after amendment approved) Entire Grant Agreement term for all applicable fiscal years: \$500,000.00	Grant Agreement Performance Beginning Date June 23, 2014
Reason for Modification Extension of Time	Current (after amendment approved) Grant Agreement Expiration Date January 31, 2019

THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

Each person signing this Amendment represents and warrants that he or she is duly authorized to execute this Amendment and to bind the Party authorizing his or her signature.

GRANTEE  By: Name & Title of Person Signing for Grantee Date: 8/22/18	STATE OF COLORADO John W. Hickenlooper, Governor Colorado Department of Natural Resources Robert D. Randall, Executive Director  (Signature) By: Greg Johnson, Section Chief Date: 8/31/18
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In accordance with §24-30-202 C.R.S., this Amendment is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER Robert Jaros, CPA, MBA, JD  By: Maggie VanClef, DNR Purchasing Director Amendment Effective Date: 9/6/2018

1. PARTIES

This Amendment (the "Amendment") to the Original Grant Agreement shown on the Signature and Cover Page for this Amendment (the "Grant Agreement") is entered into by and between the Grantee, and the State.

2. TERMINOLOGY

Except as specifically modified by this Amendment, all terms used in this Amendment that are defined in the Grant Agreement shall be construed and interpreted in accordance with the Grant Agreement.

3. AMENDMENT EFFECTIVE DATE AND TERM

A. Amendment Effective Date

This Amendment shall not be valid or enforceable until the Amendment Effective Date shown on the Signature and Cover Page for this Amendment. The State shall not be bound by any provision of this Amendment before that Amendment Effective Date, and shall have no obligation to pay Grantee for any Work performed or expense incurred under this Amendment either before or after of the Amendment term shown in §3.B of this Amendment.

B. Amendment Term

The Parties' respective performances under this Amendment and the changes to the Grant Agreement contained herein shall commence on the Amendment Effective Date shown on the Signature and Cover Page for this Amendment, and shall terminate on the termination of the Grant Agreement or **January 31, 2019**, whichever is earlier.

4. PURPOSE

The Water Supply Reserve Account provides money for grants and loans to complete water activities, which are broadly defined and include water supply and environmental projects and/or studies. This Grant, is for the Source Water Supply Project, to be used to purchase water and provide the infrastructure to deliver raw water from the Animas-La Plata Project to Lake Durango Reservoir. Grantee was also approved for a CWCB loan to assist with Project costs.

5. MODIFICATIONS

The Grant Agreement and all prior amendments thereto, if any, are modified as follows:

A. All references to Exhibit A is being replaced by Exhibit A-1.

B. Section 7.A. Payments to Grantee

The State shall, in accordance with the provisions of this §7, pay Grantee in the following amounts and using the methods set forth below:

i) Maximum Amount

The maximum amount payable under this Grant to Grantee by the State is **\$500,000** as determined by the State from available funds. Grantee agrees to provide any additional funds required for the successful completion of the Work. Payments to Grantee are limited to the unpaid obligated balance of the Grant as set forth in **Exhibit A-1**. The maximum amount payable by the State to Grantee during each State fiscal year of this Grant shall be:

\$500,000 in FY2014
\$500,000 in FY2015, minus any funds expended in FY2014
\$500,000 in FY2016, minus any funds expended in FY2014 and FY2015
\$500,000 in FY2017, minus any funds expended in FY2014, FY2015 and FY2016
\$500,000 in FY2018, minus any funds expended in FY2014, FY2015, FY2016 and FY2017
\$500,000 in FY2019, minus any funds expended in FY2014, FY2015, FY2016, FY2017 and FY2018

6. LIMITS OF EFFECT AND ORDER OF PRECEDENCE

This Amendment is incorporated by reference into the Grant Agreement, and the Grant Agreement and all prior amendments or other modifications to the Grant Agreement, if any, remain in full force and effect except as specifically modified in this Amendment. Except for the Special Provisions contained in the Grant Agreement, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Grant Agreement or any prior modification to the Grant Agreement, the provisions of this Amendment shall in all respects supersede, govern, and control. The provisions of this Amendment shall only supersede, govern, and control over the Special Provisions contained in the Grant Agreement to the extent that this Amendment specifically modifies those Special Provisions.

**Exhibit A-1
Statement of Work**

WATER ACTIVITY NAME – Source Water Supply Project

GRANT RECIPIENT – Lake Durango Water Authority

FUNDING SOURCE – WSRA- \$450,000 Statewide Funds and \$50,000 Southwest Basin Funds

GENERAL DESCRIPTION OF PROJECT

This project is to complete the necessary infrastructure to deliver raw water from the Animas La Plata Project (ALP, aka Lake Nighthorse) to Lake Durango Reservoir. The additional source water supply will allow the Authority to meet its current 1435 tap commitments and to serve existing and projected future demand in the Authorities geographic service area.

Bikis Water Consulting in cooperation with Russell Planning and Engineering performed a Safe Yield Analysis of existing Authority water rights and a Source Water Evaluation of potential sources of additional water supply. The Safe Yield Report determined that the firm yield of the Authorities existing water rights are sufficient to meet only 792 of the current commitment of 1435 taps in drought conditions.

The project includes engineering, permitting, infrastructure construction and the purchase of water with the funds available at the end of the infrastructure construction phase.

OBJECTIVES

The objective of the project is to provide reliable raw water supply to Lake Durango to meet current and future demand.

Task 1 – Engineering Design

This task encompasses all labor, materials, and equipment required to perform investigations, prepare plans, and specifications to complete the final design.

Methods/Procedures

The Grantee will monitor the preparation of all necessary design reports and bid documents (including specifications, drawings, and construction contracts) prepared for the final construction package prepared under the supervision of a Colorado licensed engineer.

Deliverables

Stamped and sealed approved plans, specifications, studies, and bid/construction contract documents (including engineer's opinion of probable cost) on maximum 11" x 17" sheet size.

Task 2 – Environmental, Permitting and Easements

This task encompasses all labor, materials, and equipment required to perform investigations, secure easements, necessary permits and clearances to complete the final design.

Methods/Procedures

The Grantee will monitor the preparation of all necessary reports closing documents necessary.

Deliverables

Reports, drawings, contract documents and permits on maximum 11" x 17" sheet size.

Task 3 – Infrastructure Construction

This task encompasses all labor, materials, and equipment required for the construction of the infrastructure of the ALP water delivery system including construction of a 500-gpm pump station at the existing Lake Nighthorse intake structure, a 4,170 foot access road, and a 4.6 mile supply pipeline. The pump station and pipeline would be able to convey 780 Acre-feet of water annually from Lake Nighthorse to Lake Durango.

Methods/Procedures

The Grantee will solicit proposals and enter into a construction services contract with a qualified contractor for the construction of the pumps and pipeline as recommended by the engineer.

Deliverables

Periodic construction progress reports, change orders, meeting notes, construction schedule summaries if applicable, field meeting notes. Signed and dated paper and electronic copies of As-Built drawings prepared by engineer of record on 11" x 17" sheet size.

Task 4 –Water Purchase

This task will process the purchase of water which will be supplied by the pump and pipeline system.

Methods/Procedures

Contract and purchase water rights stored in Nighthorse Campbell Reservoir.

Deliverables

Copy of executed purchase agreement.

REPORTING AND FINAL DELIVERABLE

Reporting: The applicant shall provide the CWCB a progress report every 6 months or every Pay Request (whichever is less), 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.

BUDGET – Budget & Schedule

The total project cost is estimated to be approximately \$3 million. Approved funding for the project includes the \$500,000 WSRA grant (\$50,000 from the Basin Roundtable and \$450,000 from the Statewide Account). The remaining cost of the project will come from a CWCB Construction Fund Loan.

Disbursement of grant and loan funds shall be disbursed at the approved ratio of 17%/83% (grant to loan), up to the approved limit.

Task	WSRA Grant	CWCB Loan	Cost Estimate
Task 1 – Engineering Design	\$25,000	\$125,000	\$150,000
Task 2 – Environmental, Permitting and Easements	\$8,333	\$41,667	\$50,000
Task 3 – Infrastructure Construction	\$441,667	\$2,208,333	\$2,650,000
Task 4 – Water Purchase (\$1476/AF)	\$25,000	\$125,000	\$150,000
<i>Total</i>	\$500,000	\$2,525,000*	\$3,025,000*

**total includes a \$25,000 loan service fee*

ESTIMATED PROJECT SCHEDULE

The design is estimated to begin in the summer of 2014 and the project is estimated to be completed by January 31, 2019.

Task	Duration	Finish Date
Engineering and Design	1 year	Contract Effective Date + 1 year
Permitting and Easements	1 year	Contract Effective Date + 2 years
Construction	2 years	Contract Effective Date + 3 years
Water Purchase	End of Construction	1/31/2019
Final Report		1/31/2019

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 5 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.

Performance Requirements

Performance measures for this contract shall include the following:

(a) Performance standards and evaluation: Grantee will produce detailed deliverables for each task as specified. Grantee shall maintain receipts for all project expenses and documentation of the minimum in-kind contributions (if applicable) per the budget in Exhibit B. Per Grant Guidelines, the CWCB will pay out the last 10% of the budget when the final deliverable is completed to the satisfaction of CWCB staff. Once the final deliverable has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

(b) Accountability: Per the Grant Guidelines full documentation of project progress must be submitted with each invoice for reimbursement. Grantee must confirm that all grant conditions have been complied with on each invoice. In addition, per the Grant Guidelines, Progress Reports must be submitted at least once every 6 months. A Final Report must be submitted and approved before final project payment.

(c) Monitoring Requirements: Grantee is responsible for ongoing monitoring of project progress per Exhibit A. Progress shall be detailed in each invoice and in each Progress Report, as detailed above. Additional inspections or field consultations will be arranged as may be necessary.

(d) Noncompliance Resolution: Payment will be withheld if grantee is not current on all grant conditions. Flagrant disregard for grant conditions will result in a stop work order and cancellation of the Grant Agreement.