

**Water Supply Reserve Fund – Grant and Loan Program**  
**Water Activity Summary Sheet**  
**July 15, 2020**  
**Agenda Item 16(b)**

**Applicants & Grantee:** Cedar Mesa Ditch Company  
**Water Activity Name:** Cedar Mesa Ditch Piping Project  
**Water Activity Purpose:** Agriculture/Implementation  
**County:** Delta  
**Drainage Basin:** Gunnison  
**Water Source:** Surface Creek  
**Amount Requested:** \$54,800 Gunnison Basin Account  
**Matching Funds:** Applicant & 3<sup>rd</sup> Party Match (cash) = \$1,299,525  
• 24 times the Basin Account request (meets 25% min)

<b>Staff Recommendation:</b>
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Staff recommends approval of up to \$54,800 from the Gunnison Basin Account to help fund the project titled: Cedar Mesa Ditch Piping Project.
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**Water Activity Summary:** WSRF grant funds, if approved, will assist Cedar Mesa Ditch Company replace 3,000 feet of existing open ditch with 21” PVC irrigation pipe. Completion of this project will improve irrigation delivery efficiency and reduce salt loading by 900 tons. The current effort represents Phase 1 of a 3-phase project. Cedar Mesa Ditch is supplied from Surface Creek which, in turn, is fed by numerous reservoirs on the grand Mesa. The 12-mile ditch supplies irrigation water to 1043 acres through 37 head-gates. It serves 64 shareholders who raise cattle, hay, peaches, apples, plums, apricots and grapes. The lower part of the ditch runs through Mancos Shale where seepage is the greatest. It is estimated that piping the lower 3.5 miles of the ditch will recover 60% of the shrink (seepage). Shrink is estimated at 50% in 2018 and this year.

**Discussion:** This effort will assist the Gunnison Basin Roundtable meet the goals of their Basin Implementation Plan by assisting the Roundtable in achieving the completion of a Tier 1 Project.

**Issues/Additional Needs:** The applicant must also gain the CWCB’s approval of a Water Plan Grant in the amount of \$35,000 scheduled to go before the CWCB in July 2020 (if this grant fails to gain approval by the CWCB, the applicant must provide a documented substitute funding source), otherwise no issues or additional needs have been identified.

**Eligibility Requirements:** The application meets requirements of all eligibility components: General Eligibility, Entity Eligibility, Water Activity Eligibility, and Eligibility Based on Match Requirements.

**Evaluation Criteria:** n/a

<b>Funding Sources/Match</b>	<b>Cash</b>	<b>In-kind</b>	<b>Total</b>	<b>Status</b>
Cedar Mesa Ditch Company	\$212,200	\$0	\$212,200	Secured
NRCS	\$1,052,325	\$0	\$1,052,325	Secured
CWCB Water Plan Grant	\$35,000	\$0	\$35,000	Pending
<b>Sub-total Matching Funds</b>	<b>\$1,299,525</b>	<b>\$0</b>	<b>\$1,299,525</b>	
WSRF Gunnison Basin Account	\$54,800	\$0	\$54,800	Secured
<b>Total Project Costs</b>	<b>\$1,354,325</b>	<b>\$0</b>	<b>\$1,354,325</b>	

**CWCB Project Manager:** Matt Stearns

May 26, 2020  
Mr. Craig Godbout  
Colorado Water Conservation Board  
1313 Sherman Street  
Denver, CO 80203

Re: Cedar Mesa Ditch Piping Project, Gunnison Basin Roundtable Approval of WSRF Grant Application

Dear Mr. Godbout,

I am writing today on behalf of the Gunnison Basin Roundtable to let you know that we have approved a request for \$54,800 in basin funds for the Cedar Mesa Ditch Piping Project. The total project cost is \$1,365,000 to pipe 3.5 miles of Cedar Mesa Ditch, which serves over 1000 acres of irrigated land near Cedaredge. This project will take 2-3 years to complete and will reduce water losses and salinity/selenium leaching in a Mancos shale area of the lower ditch.

Most of the cost will be covered by an NRCS grant for \$1,063,000. The project is listed as a Tier 1 project in the BIP and furthers most of the goals of the Plan, keeping productive ground in agriculture and improving the environment. The GBRT funding will be used to purchase pipe.

Please let us know if you have any questions or need additional information.

Best Regards,

*Kathleen Curry*

Kathleen Curry, Chair  
Gunnison Basin Roundtable  
54542 US Highway 50  
Gunnison, CO 81230  
[kathleencurry@montrose.net](mailto:kathleencurry@montrose.net)  
Cell 970-209-5537  
Home 970-641-0699



Last Update: July 31, 2018

<b>Colorado Water Conservation Board</b>
<b>Water Supply Reserve Fund Grant Application</b>

<b>Instructions</b>
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All WSRF grant applications shall conform to the current [2016 WSRF Criteria and Guidelines](#).

To receive funding from the WSRF, a proposed water activity must be approved by a Roundtable(s) **AND** the Colorado Water Conservation Board (CWCB). The process for Roundtable consideration and recommendation is outlined in the 2016 WSRF Criteria and Guidelines. The CWCB meets bimonthly according to the schedule on page 2 of this application.

If you have questions, please contact the current CWCB staff Roundtable liaison:

**Arkansas**

Ben Wade  
[ben.wade@state.co.us](mailto:ben.wade@state.co.us)  
303-866-3441 x3238

**Gunnison | North Platte |  
South Platte | Yampa/White**

Craig Godbout  
[craig.godbout@state.co.us](mailto:craig.godbout@state.co.us)  
303-866-3441 x3210

**Colorado | Metro | Rio Grande |  
Southwest**

Megan Holcomb  
[megan.holcomb@state.co.us](mailto:megan.holcomb@state.co.us)  
303-866-3441 x3222

<b>WSRF Submittal Checklist (Required)</b>
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X	I acknowledge this request was recommended for CWCB approval by the sponsoring roundtable.
X	I acknowledge I have read and understand the <a href="#">2016 WSRF Criteria and Guidelines</a> .
X	I acknowledge the Grantee will be able to contract with CWCB using the <a href="#">Standard Contract</a> . <sup>(1)</sup>
Application Documents	
X	Exhibit A: Statement of Work <sup>(2)</sup> ( <i>Word – see Template</i> )
X	Exhibit B: Budget & Schedule <sup>(2)</sup> ( <i>Excel Spreadsheet – see Template</i> )
X	Letters of Matching and/or Pending 3 <sup>rd</sup> Party Commitments <sup>(2)</sup>
X	Map <sup>(2)</sup>
	Photos/Drawings/Reports
	Letters of Support
Contracting Documents <sup>(3)</sup>	
	Detailed/Itemized Budget <sup>(3)</sup> ( <i>Excel Spreadsheet – see Template</i> )
	Certificate of Insurance <sup>(4)</sup> ( <i>General, Auto, &amp; Workers' Comp.</i> )
	Certificate of Good Standing <sup>(4)</sup>
	W-9 Form <sup>(4)</sup>
	Independent Contractor Form <sup>(4)</sup> ( <i>If applicant is individual, not company/organization</i> )
	Electronic Funds Transfer (ETF) Form <sup>(4)</sup>

(1) Click "Grant Agreements". For reference only/do not fill out or submit/required for contracting

(2) Required with application if applicable.

(3) Additional documentation providing a Detailed/Itemized Budget maybe required for contracting. Applicants are encouraged to coordinate with the CWCB Project Manager to determine specifics.

(4) Required for contracting. While optional at the time of this application, submission can expedite contracting upon CWCB Board approval.



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Schedule		
CWCB Meeting	Application Submittal Dates	Type of Request
January	December 1	Basin Account; BIP
March	February 1	Basin/Statewide Account; BIP
May	April 1	Basin Account; BIP
July	June 1	Basin Account; BIP
September	August 1	Basin/Statewide Account; BIP
November	October 1	Basin Account/BIP

Desired Timeline	
Desired CWCB Hearing Month:	July 2020
Desired Notice to Proceed Date:	September 1, 2020

Water Activity Summary		
Name of Applicant	Cedar Mesa Ditch Company	
Name of Water Activity	Cedar Mesa Ditch Piping Project	
Approving Roundtable(s)		Basin Account Request(s) <sup>(1)</sup>
Gunnison Basin		\$54,800.00
Basin Account Request Subtotal		\$54,800.00
Statewide Account Request <sup>(1)</sup>		\$
Total WSRF Funds Requested (Basin & Statewide)		\$54,800.00
Total Project Costs		\$1,365,000.00

(1) Please indicate the amount recommended for approval by the Roundtable(s)



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Grantee and Applicant Information	
Name of Grantee(s)	Cedar Mesa Ditch Company
Mailing Address	PO Box 1118, Cedaredge, CO 81413
FEIN	84-0873324
Grantee's Organization Contact <sup>(1)</sup>	Erik Fritchman
Position/Title	President, Cedar Mesa Ditch Company
Email	erikfritchman@yahoo.com
Phone	970 640 2925
Grant Management Contact <sup>(2)</sup>	<u>Annie Holton</u>
Position/Title	Board Member
Email	annieholton2@gmail.com
Phone	970 485 0905
Name of Applicant (if different than grantee)	
Mailing Address	
Position/Title	
Email	
Phone	

**(1)** Person with signatory authority

**(2)** Person responsible for creating reimbursement invoices (Invoice for Services) and corresponding with CWCB staff.

Description of Grantee
Provide a brief description of the grantee's organization (100 words or less).
Cedar Mesa Ditch Company was organized October 13, 1898 as a non-profit water conveyance company. From the Surface Creek head-gate, it is approximately 12 miles to the end of the ditch. It has 403 shares of stock owned by 58 shareholders who raise cattle, hay, peaches, apples, plums, apricots and grapes. The company owns four water rights as follows: 1) September 1894, Surface Creek #36, 10 cfs.; 2) September 1894, Surface Creek #A32, 16 cfs.; 3) January 1999, Surface Creek #98CW30, 24 cfs.; 4) Aug. 1936, J-52, 2 cfs. In an average year, the ditch conveys about 3000 acre-feet to irrigate approximately 1043 acres of land. Piping the lower ~3 miles of this ditch is expected to recover between 250 and 500 acre-feet annually.



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Type of Eligible Entity (check one)	
	<b>Public (Government):</b> municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
	<b>Public (Districts):</b> authorities, Title 32/special districts (conservancy, conservation, and irrigation districts), and water activity enterprises
X	<b>Private Incorporated:</b> mutual ditch companies, homeowners associations, corporations
	<b>Private Individuals, Partnerships, and Sole Proprietors:</b> are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
	<b>Non-governmental organizations:</b> broadly, any organization that is not part of the government
	<b>Covered Entity:</b> as defined in <a href="#">Section 37-60-126 Colorado Revised Statutes</a>

Type of Water Activity (check one)	
	Study
X	Implementation

Category of Water Activity (check all that apply)		
	Nonconsumptive (Environmental)	
	Nonconsumptive (Recreational)	
X	Agricultural	
	Municipal/Industrial	
	Needs Assessment	
	Education & Outreach	
X	Other Supply	Explain: Piping Cedar Mesa Ditch is expected to increase efficiency of delivery by 25-50% depending on the variability of the water year.

Location of Water Activity	
Please provide the general county and coordinates of the proposed activity below in <b>decimal degrees</b> . The Applicant shall also provide, in Exhibit C, a site map if applicable.	
County/Countries	Delta
Latitude	38.890605
Longitude	-107.878089

Water Activity Overview
Please provide a summary of the proposed water activity (200 words or less). Include a description of the activity and what the WSRF funding will be used for specifically (e.g. studies, permitting, construction). Provide a description of the water supply source to be utilized or the water body affected by the activity. Include details such as acres under irrigation, types of crops irrigated, number of residential and commercial taps, length of ditch improvements, length of pipe installed, area of habitat improvements. If this project addresses multiple purposes or spans multiple basins, please explain.



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### Water Activity Overview

The Applicant shall also provide, in Exhibit A, a detailed Statement of Work, Budget, and Schedule.

#### Brief description of project Cedar Mesa Ditch Piping Project

This application is for the cost of a portion of the 21" irrigation pipe needed for the Cedar Mesa Ditch Piping Project. The project is planned in 3 phases. This pipe will be purchased during Phase 1 of the 3-phase project. To facilitate the cost of the entire project, the Cedar Mesa Ditch Company has increased assessments, has NRCS grants pending, and has a CWCB loan. A detailed accounting estimate is provided in the Feasibility Study.

The pipeline will be constructed in the existing ditch right-of-way during Phase 1 (Fall, 2020). No additional land purchases or easements are required. Feasibility studies and engineering design plans are complete. The pipe will be installed as per the final engineering plans which were completed this Spring. Installation of the pipe will commence as soon as the irrigation season is over (~September 15, 2020) and will be completed by December 31, 2020. Installation specifications are to NRCS standards and construction and inspections will be conducted by the NRCS engineer. Cost of installation will be covered by matching funds.

Cedar Mesa Ditch is supplied from Surface Creek which, in turn, is fed by numerous reservoirs on the Grand Mesa. The 12-mile ditch supplies irrigation water to 1043 acres through 40 head-gates. It serves 64 shareholders who raise cattle, hay, peaches, apples, plums, apricots and grapes. The lower part of the ditch runs through Mancos Shale where seepage is the greatest. It is estimated that piping the lower 3.5 miles of the ditch will recover 60% of the shrink. This recovery will significantly reduce salt and selenium leaching from the ditch through the Mancos Shale.

Most irrigation water rights in the Surface Creek Valley belong to private, non-profit companies. Irrigation water is not tied to land and may be leased or sold to other users. Typical costs for leasing range from \$25 - \$150 an acre-foot, depending on availability (weather). During this drought year (2018) water is being leased for \$200 an acre-foot. Piping this portion of the ditch would recover \$6,000 to \$12,000 worth of water. In a drought year like 2018, that value would approach \$100,000 if the water were available.

The Cedar Mesa Ditch Company anticipates repaying the bulk of the loan from NRCS grants. The Company estimates that after completion of the project, about \$300,000 may be left on the loan to be paid over 30 years. The membership has approved raising assessments to provide approximately \$13,000 each year to service that loan.

The project is phased to start in 2020 and be completed in 3 years. Each year approximately 33% of the construction will be completed. Each year's plans and deliverables are detailed in Exhibit A.

### Measurable Results

To catalog measurable results achieved with WSRF funds please provide any of the following values.

	New Storage Created (acre-feet)
250-500 acre-ft/yr	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive
	Existing Storage Preserved or Enhanced (acre-feet)
	Length of Stream Restored or Protected (linear feet)
\$12500-\$25000/yr up to \$100,000 during drought years	Efficiency Savings (indicate acre-feet/year OR dollars/year)
	Area of Restored or Preserved Habitat (acres)
3.5 miles	Length of Pipe/Canal Built or Improved
Process and procedure	Other Measurable results include producing a bid package, having a pre bid meeting, following an open bid process, and selecting a contractor based on returned bids.

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### Water Activity Justification

Provide a description of how this water activity supports the goals of [Colorado's Water Plan](#), the most recent [Statewide Water Supply Initiative](#), and the respective [Roundtable Basin Implementation Plan and Education Action Plan](#) <sup>(1)</sup>. The Applicant is required to reference specific needs, goals, themes, or Identified Projects and Processes (IPPs), including citations (e.g. document, chapters, sections, or page numbers).

For applications that include a request for funds from the Statewide Account, the proposed water activity shall be evaluated based upon how well the proposal conforms to Colorado's Water Plan criteria for state support (CWP, Section 9.4, pp. 9-43 to 9-44;) (Also listed pp. 4-5 in [2016 WSRF Criteria and Guidelines](#)).

Improvements to Cedar Mesa Ditch are listed as Proposed Project 22 on Tier 1 of the Gunnison Basin Water Plan. See Exhibit B.

This project addresses two aspects of Water Storage and Supply.

First: "Improve agricultural water supplies to reduce shortages"

The 2010 Statewide Water Supply Initiative reported an annual shortage for District 40 of 75,128 acre-feet by 2050. That is approximately a 30% shortfall for the District. An update of the Statewide Water Supply Initiative, currently underway, is expected to increase that value. The proposed piping project is expected to recover approximately half the water need to address the gap among its users. This project is anticipatory to IPP 91 of the Gunnison Basin Implementation Plan (2015, p.105

Second: "Discourage the conversion of productive agricultural land to all other uses within the context of property rights."

More frequently there are years when less than average water is available causing reduced productivity and/or increasing expense (water leasing). Increasingly, shortages result in the conversion of agricultural land to other uses. The Cedar Mesa Ditch Board has heard more than one producer say that if he can't get sufficient water, he'll subdivide and sell his land. By reducing water shortages, the piping project address the above second

(1) Access Basin Implementation Plans or Education Action Plans from Basin drop down menu.

### Matching Requirements: Basin Account Requests

**Basin (only) Account** grant requests require a 25% match (cash and/or in-kind) from the Applicant or 3<sup>rd</sup> party and shall be accompanied by a **letter of commitment** as described in the 2016 WSRF Criteria and Guidelines (submitted on the contributing entity's letterhead). Attach additional sheet if necessary.

Contributing Entity	Amount and Form of Match (note cash or in-kind)
Cedar Mesa Ditch Company	\$212,200 cash
CWCB WPG (pending)	\$35,000 cash
NRCS grants (pending)	\$1,063,000 cash



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Matching Requirements: Basin Account Requests	
Total Match	\$1,310,200
If you requested a Waiver to the Basin Account matching requirements, indicate the percentage you wish waived.	

Matching Requirements: Statewide Account Requests	
<b>Statewide Account</b> grant requests require a 50% match as described in the 2016 WSRF Criteria and Guidelines. A minimum of 10% match shall be from Basin Account funds (cash only). A minimum of 10% match shall be provided by the applicant or 3rd party (cash, in-kind, or combination). The remaining 30% of the required match may be provided from any other source (Basin, applicant, or 3 <sup>rd</sup> party) and shall be accompanied by a <b>letter of commitment</b> . Attach additional sheet if necessary.	
Contributing Entity	Amount and Form of Match (note cash or in-kind):
Total Match	\$
If you requested a Waiver to the Statewide Account matching, indicate % you wish waived. (Max 50% reduction of requirement).	

Related Studies
Please provide a list of any related studies, including if the water activity is complimentary to or assists in the implementation of other CWCB programs.

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### Related Studies

Feasibility Study and Loan and Grant Application Report for Cedar Mesa Ditch Company, McDermith and Schuster, 1975

Cedar Mesa and Lone Pine Ditches – 2017 Technical Assistance Report – JUB Engineers Inc

Statewide Water Supply Initiative – 2010 Appendix I, Technical Memorandum State of Colorado Current and 2050 Agricultural Demands, Appendix A, Western Slope Agricultural Demands, Table 1 and Figure 2, Water District 40 demands.

Feasability Study and CWCB Loan Application 2019

Engineering Design for Piping Lower Cedar Mesa Ditch 2019

### Previous CWCB Grants

List all previous or current CWCB grants (including WSRF) awarded to both the Applicant and Grantee. Include: 1) Applicant name; 2) Water activity name; 3) Approving RT(s); 4) CWCB board meeting date; 5) Contract number or purchase order

None

### Tax Payer Bill of Rights

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.

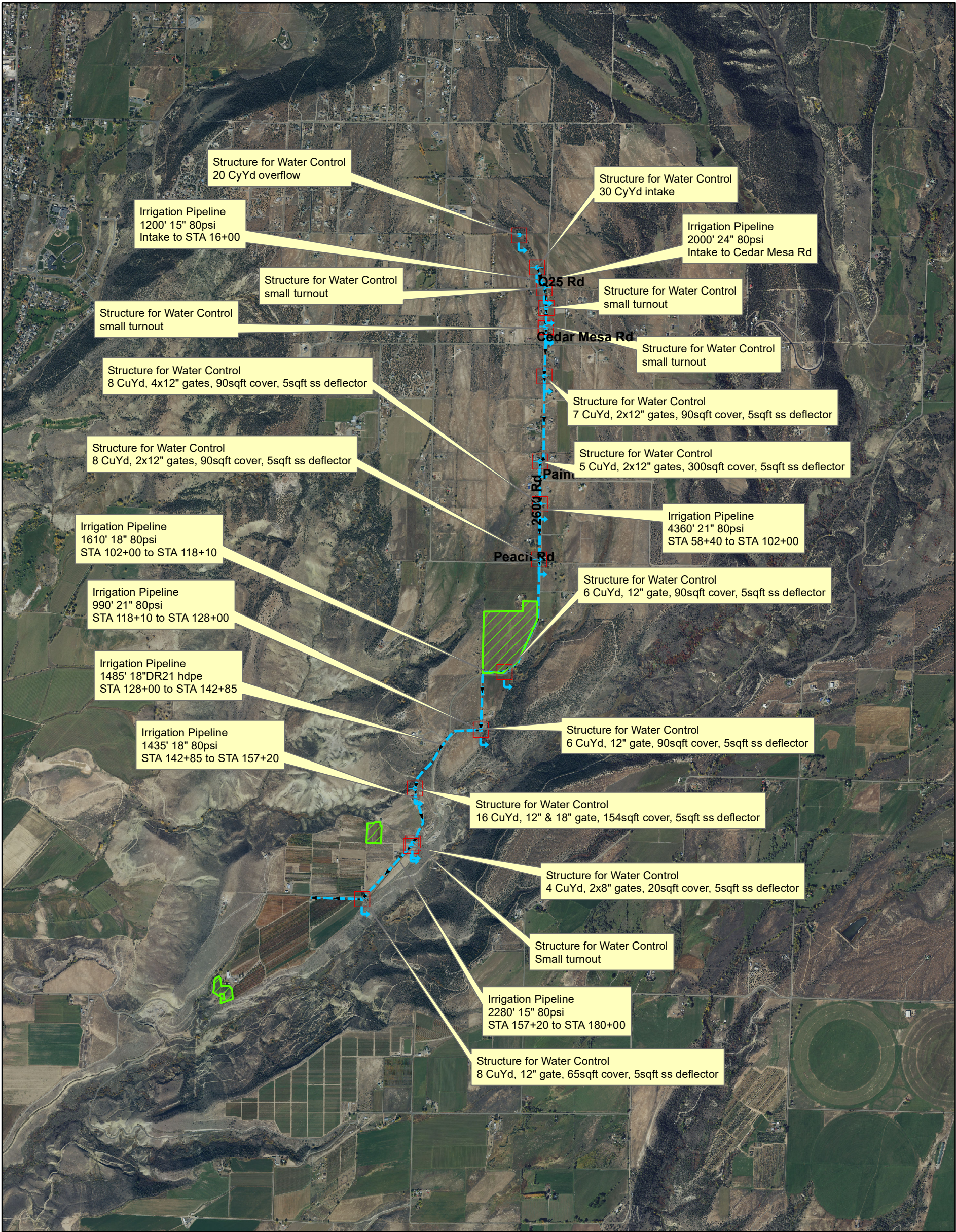
None





Cedaredge

Cedar Mesa Ditch  
Service Area

Eckert



Legend

-  Resource Inventory (Point)
-  Resource Inventory (Line)



<b>Participant:</b> ERIK B FRITCHMAN	<b>Program and Contract Number:</b> EQIP 2018 748B05190Q0
<b>County and State:</b> DELTA County, CO	<b>Subaccount:</b> Salinity - Lower Gunnison PA - Delta (Salinity - Delta)
<b>Watershed:</b> Outlet Currant Creek	This agreement is effective on the date signed by the Natural Resources Conservation Service obligating official unless specified otherwise in the applicable Appendix and extends through <b>12/31/2022</b>

- #### 4. CONTRACT PARTICIPANTS

<b>Name, Address, Telephone</b> ERIK B FRITCHMAN 13373 2600 RD ECKERT, CO 81418 (970) 640-2925	<b>SSN or TAX ID if applicable</b> *****2071
<b>Signature</b>  ERIK B FRITCHMAN	<b>Payment Shares</b> 100.00%
<b>Date</b> 5/31/2019	
<b>Signature required for modifications</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Signature acceptable for payments</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

2020	2021	2022								Total
\$92,822	\$57,992	\$69,053								\$219,867
										\$219,867

## CONSERVATION PROGRAM CONTRACT

<b>Participant:</b> ROBERT B HALLEY	<b>Program and Contract Number:</b> EQIP 2018 748B05190Q1
<b>County and State:</b> DELTA County, CO	<b>Subaccount:</b> Salinity - Lower Gunnison PA - Delta (Salinity - Delta)
<b>Watershed:</b> Outlet Currant Creek	This agreement is effective on the date signed by the Natural Resources Conservation Service obligating official unless specified otherwise in the applicable Appendix and extends through <b>12/31/2022</b>

1. The undersigned participants enter into this contract with the Natural Resources Conservation Service (NRCS) to implement and/or maintain specific conservation practices, as set forth in the Conservation Plan Schedule of Operations (NRCS-CPA-1155) on the property as identified on the plan map. In consideration for the implementation and/or maintenance of the practices, the NRCS will make payments to the participant(s) in the amount(s) described in the Schedule of Operations as outlined in the Appendix.
2. This agreement is comprised of this Conservation Program Contract form NRCS-CPA-1202. The NRCS-CPA-1202 Appendix and the NRCS-CPA-1155 Plan Schedule of Operations and plan map are hereby fully incorporated into this document and are binding upon the participant(s). The NRCS-CPA-1155 may be modified through execution of a Modification form (NRCS-CPA-1156) by both NRCS and the participant and becomes a part of the contract when both parties have agreed to and signed the Modification.
3. The participant(s) agree:
  - A) to implement and maintain conservation practices for the life of this agreement in compliance with the plan or schedule of operations and in accordance with the standards, specifications, and other special program criteria obtained from NRCS;
  - B) to forfeit further payments under this agreement and refund the United States, in amounts determined by NRCS, any payments received hereunder upon NRCS determination that participant(s) have violated the material terms of this agreement or accept such payment adjustments as NRCS may deem appropriate if NRCS decides that the participant's violation does not warrant termination of the agreement; and
  - C) to forfeit all rights to further payments under the agreement and refund to the United States, in amounts determined by NRCS, payments received hereunder if the subject land is transferred to a non-participant during the term of this agreement, unless the third party agrees to assume this agreement, and the NRCS consents to the modification.

#### 4. CONTRACT PARTICIPANTS

<b>Name, Address, Telephone</b> ROBERT B HALLEY 13765 2600 RD CEDAREIDGE , CO 81413	<b>SSN or TAX ID if applicable</b> *****8173
<b>Signature</b>  ROBERT B HALLEY	<b>Payment Shares</b> 100.00%
<b>Date</b> 5/31/2019	
<b>Signature required for modifications</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Signature acceptable for payments</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 5. CONTRACT OBLIGATIONS

2020	2021	2022								Total
\$164,298	\$139,279	\$108,940								\$412,517
										\$412,517