

**Water Supply Reserve Fund
Water Activity Summary Sheet
March 11-12, 2020
Agenda Item 23(j)**

Applicant & Grantee: City of Ouray

Water Activity Name: Non-potable Water Supply Project Phase I

Water Activity Purpose: Env & Rec/M&I - Study

County: Ouray

Drainage Basin: Gunnison

Water Source: Wehawken Creek

Amount Requested: \$25,000 Gunnison Basin Account
\$41,300 Statewide Account
\$66,300 Total Request

Matching Funds: Basin Account Match = \$25,000

- 60% of statewide request (meets 10% min)

Applicant & 3rd Party Match (cash & in-kind) = \$35,700

- 115% of the statewide request (meets 10% min)

Total Match (Basin & Applicant) = \$60,700

- 146% of the statewide request (meets 50% min)

Staff Recommendation:
Staff recommends approval of up to \$25,000 from the Gunnison Basin Account and up to \$41,300 from the Statewide Account to help fund the project: Non-potable Water Supply Project Phase I.

Water Activity Summary: WSRF Funds, if approved will assist the City of Ouray and the Ouray Ice Park Inc. develop a Phase 1 study of the Non-potable Water Supply Project (The Project) and includes a conceptual design and CWCB Loan Feasibility Study for constructing a 10-inch diameter Potable Water Pipeline (Proposed Pipeline) and converting an existing 10-inch Potable Pipeline (Existing Pipeline) to a non-potable water supply pipeline. Funding for the Project will be used for: surveying; water rights evaluation; existing utility mapping; geotechnical investigation; conceptual design (30% level); environmental permitting evaluation; easement needs assessment; and a CWCB loan feasibility study for the possibility of a construction loan for the project.

Discussion: This effort will assist the Gunnison Basin Roundtable meet their Goals and Measurable Outcomes and is included in three Gunnison Basin Tier 1 projects as called for in the Gunnison Basin Implementation Plan such as: #37 City of Ouray Water Efficiency and Conservation Plan Implementation; #45 Development of Upper Uncompahgre River Basin Water Supplies; #40 Environmental/Recreational Project Identification and Inventory – Upper Uncompahgre River Basin. In addition, this effort assists Colorado's Water Plan by reducing the M&I water supply gap, enhancing environmental and recreational economic values, and promoting the protection and restoration of water quality as call for in Chapter 10.

Issues/Additional Needs: The applicant shall submit to CWCB all required match letters of commitment prior to entering into a grant contract with the state, otherwise there are no additional issues or needs.

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Sources/Match	Cash	In-kind	Total	Status
City of Ouray	\$0	\$10,000	\$10,000	
Ouray Ice Park Inc.	\$25,700	\$0	\$25,700	Pending
Sub-total	\$25,700	\$10,000	\$35,700	
WSRF Gunnison Basin Account	\$25,000	\$0	\$25,000	Secured
Sub-total	\$50,700	\$10,000	\$60,700	
WSRF Statewide Account	\$41,300	n/a	\$41,300	
Total Project Costs	\$92,000	\$10,000	\$102,000	

CWCB Project Manager: Craig Godbout

Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street
Denver, CO 80203

January 30, 2020

Re: City of Ouray Non Potable Water Supply Project

Dear Mr. Godbout,

The Gunnison Basin Roundtable has approved the following project for funding from the Water Supply Reserve Fund:

The City of Ouray Non Potable Water Supply Project. \$25,000 from the Basin Account and \$41,300 from the State account, for a total of \$66,300. The total project cost is \$102,000. The project would study adding a new pipeline to complement the existing potable water pipeline from Wehawken Springs, the only municipal supply for Ouray. During the drought of 2018 Ouray was impacted and short of water at times, particularly for the Ice Park and other non-potable uses.

By adding a pipeline and a new diversion from Wehawken Creek Ouray would be able to better utilize its water and meet the following goals: 1) to firm the City's municipal water supply by developing a new non-potable water supply and reducing water demands on the potable water system resulting in an increase drought resiliency, 2) adding an emergency back-up municipal supply line in case there is a transmission line failure resulting in an increase in water system redundancy, 3) improving water quality in the Upper Uncompahgre River by replacing the discharge to the river from Hot Springs Wells with Wehawken Creek water via a heat exchange system, 4) increasing hydropower production from existing and future hydropower facilities. In addition, one of the beneficiaries of the improved non-potable supply would be the recreational use in the Ouray Ice Park.

The need for increased municipal supply is noted in the BIP as well as the Upper Uncompahgre Needs Assessment. The Gunnison Basin Roundtable recommends approval of the application, with the funding split changed to \$25,000 from the Basin and \$41,300 from the State WSRF funds. We request your positive consideration of this application.

Sincerely,

Kathleen Curry

Kathleen Curry, Chair
Gunnison Basin Roundtable
54542 US Highway 50
Gunnison, CO 81230
970-209-5537
kathleencurry@montrose.net

Last Update: November 25, 2019

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application

Instructions		
<p>All WSRF grant applications shall conform to the current 2016 WSRF Criteria and Guidelines.</p> <p>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.</p> <p>If you have questions, please contact the current CWCB staff Roundtable liaison:</p>		
<p>Arkansas</p> <p>Ben Wade ben.wade@state.co.us 303-866-3441 x3238</p>	<p>Gunnison North Platte South Platte Yampa/White</p> <p>Craig Godbout craig.godbout@state.co.us 303-866-3441 x3210</p>	<p>Colorado Metro Rio Grande Southwest</p> <p>Megan Holcomb megan.holcomb@state.co.us 303-866-3441 x3222</p>

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

(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:	March, 2020
Desired Notice to Proceed Date:	May, 2020

Water Activity Summary		
Name of Applicant	City of Ouray	
Name of Water Activity	City of Ouray Non-potable Water Supply Project Phase 1	
Approving Roundtable(s)	Basin Account Request(s) ⁽¹⁾	
Gunnison Basin	\$25,000	
Basin Account Request Subtotal	\$ 25,000.00	
Statewide Account Request ⁽¹⁾	\$ 41,300.00	
Total WSRF Funds Requested (Basin & Statewide)	\$ 66,300.00	
Total Project Costs	\$ 102,000.00	

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



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Grantee and Applicant Information	
Name of Grantee(s)	City of Ouray
Mailing Address	P.O. Box 468
FEIN	846000614
Grantee's Organization Contact ⁽¹⁾	Justin Perry
Position/Title	City Administrator
Email	administrator@cityofouray.com
Phone	(970) 325-7060
Grant Management Contact ⁽²⁾	Dan Chehayl
Position/Title	Executive Director
Email	danchehayl@ourayicepark.com
Phone	(239) 877-4357
Name of Applicant (if different than grantee)	Peter R. Foster - Wright Water Engineers, Inc.
Mailing Address	1666 N. Main Ave, Suite C, Durango, CO 81301
Position/Title	Vice President
Email	pfoster@wrightwater.com
Phone	(970) 259-7411

(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).
<p>The City of Ouray (City) is a municipality located in Ouray County in southwest Colorado. The City provides basic services to its residents including water, sewer, trash and recycling, recreation including the Ouray Ice Park and Ouray Hot Springs Pool as well as code enforcement, permitting, and hosts various community events.</p>

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Type of Eligible Entity (check one)	
X	Public (Government): 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.
	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, any organization that is not part of the government
	Covered Entity: as defined in Section 37-60-126 Colorado Revised Statutes

Type of Water Activity (check one)	
X	Study
	Implementation

Category of Water Activity (check all that apply)		
X	Nonconsumptive (Environmental)	
X	Nonconsumptive (Recreational)	
	Agricultural	
X	Municipal/Industrial	
	Needs Assessment	
	Education & Outreach	
	Other	Explain:

Location of Water Activity	
Please provide the general county and coordinates of the proposed activity below in decimal degrees . The Applicant shall also provide, in Exhibit C, a site map if applicable.	
County/Countries	Ouray County
Latitude	37.9920
Longitude	-107.7022

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

During the Winter of 2018/2019 the City experienced shortages in water production from the City's sole potable water source (Wehawken Spring) due to the 2018 Drought. In addition, the City had to reduce deliveries to the Ice Park and existing hydropower facilities and implemented water conservation measures. In response to the drought the City has implemented a number of water efficiency measures outlined in the City of Ouray Water Efficiency Plan including the installation and upgrade of water meters and has been evaluating the installation of an additional water supply for non-potable water uses.

This grant application is for Phase 1 of the Non-potable Water Supply Project (The Project) and includes a conceptual design and CWCB Loan Feasibility Study for constructing a 10-inch diameter Potable Water Pipeline (Proposed Pipeline) and converting an existing 10-inch Potable Pipeline (Existing Pipeline) to a non-potable water supply pipeline. Funding for The Project will be used for surveying, water rights evaluation, existing utility mapping, geotechnical investigation, conceptual design (30% level), environmental permitting evaluation, easement needs assessment, and a CWCB loan feasibility study for the possibility of a construction loan for the project.

The current water source for the City is the Wehawken Spring. The Wehawken Spring supplies water to the City's 1,034 residents (2017, DOLA), 571 taps (2018), the Ouray Ice Park, a hydropower plant, irrigation of parks, and water for hot spring pool maintenance and initial filling.

The Upper Uncompahgre River has a CDPHE Total Maximum Daily Load (TMDL) due to high levels of metals. The hot springs pool is fed water from a hot springs pipeline and geothermal wells. The pool currently discharges water from geothermal wells into the Upper Uncompahgre River. The City would use this non potable source as a source for heat exchange with the Geothermal Wells and remove the discharge from the geothermal wells to the Uncompahgre River, thus improving water quality in a reach of river that is impaired for metals.

The existing water supply pipeline is approximately 12,300 feet in length and the proposed new pipeline is approximately 8,400 feet in length.

The Project addresses multiple purposes that include repurposing the existing pipeline to provide a firm water supply for the Ice Park, an existing hydropower plant, park landscape irrigation, and a heat transfer source for the hot springs pool, and an emergency secondary supply pipeline backup for the City's potable water system.

The goals of the project are 1) to firm the City's municipal water supply by developing a new non-potable water supply and reducing water demands on the potable water system resulting in an increase drought resiliency, 2) adding an emergency back-up municipal supply line in case there is a transmission line failure resulting in an increase in water system redundancy, 3) improving water quality in the Upper Uncompahgre River by replacing the discharge to the river from Hot Springs Wells with Wehawken Creek water via a heat exchange system, 4) increasing hydropower production from existing and future hydropower facilities.

The source of the non-potable water is Wehawken Creek, which is a separate but nearby source of water to Wehawken Springs.



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Measurable Results		
To catalog measurable results achieved with WSRF funds please provide any of the following values.		
	New Storage Created (acre-feet)	
2,758 AF/Year additional supply (based on diverting 3.816 cfs)	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)	
985 AF/year of Water	Efficiency Savings (indicate acre-feet/year OR dollars/year)	
	Area of Restored or Preserved Habitat (acres)	
8,400 feet	Length of Pipe/Canal Built or Improved	
Hydropower 2,758 AF	Other	Explain: provides increased supply so existing hydropower plant may operate year-round, and evaluate the potential for new hydropower plant on proposed pipeline.

Water Activity Justification
<p>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 ⁽¹⁾. 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).</p> <p>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).</p>

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Water Activity Justification

The Project is included in three Gunnison River Basin Tier 1 Identified Projects and Processes:

- #37 City of Ouray Water Efficiency and Conservation Plan Implementation.
- #45 Development of Upper Uncompahgre River Basin Water Supplies.
- #40 Environmental/Recreational Project Identification and Inventory – Upper Uncompahgre River Basin.
- The City owns a direct flow water right for 3.816 cfs in Wehawken Creek with an appropriation date of 4/15/1895, which is the water right to be used/developed for this project. The project will help firm the City of Ouray's Wehawken Creek Water Right, helping to meet the defined needs of growth into existing supplies and firming in-basin water rights as identified in the Gunnison Basin Needs Assessment.
- This project is included in the Basin Implementation Plan.

The Project includes many components which meet Colorado's Water Plan criteria for state support:

- The project will include collaboration between municipal, county, and non-profit entities in the Upper Uncompahgre Basin. Project stakeholders are anticipated to include but not be limited to: 1) City of Ouray, 2) nonprofit Ouray Ice Park Inc., 3) Ouray County, and 4) public participation. The project will provide opportunities for meaningful input throughout the planning process, including public City Council Board Meetings.
- The project is anticipated to address more than one type of need including: 1) developing of a raw water supply to meet recreation demands in the region, 2) provide a reliable water supply for the economically important Ouray Ice Park, 3) improving water quality in the Uncompahgre River, which currently has a metals TMDL, by reducing or eliminating a hot springs pool discharge to the river, 4) investigating the potential for this project to serve as an injury with mitigation project to CWCB's instream flows on the Uncompahgre River to allow Ouray County Water users the ability to exchange water out of Ridgway Reservoir during dry years when the instream flows on the Uncompahgre River are not being met, 5) potential development of micro-hydropower source in Ouray County, and 6) provides potential non-potable water supply to meet non-potable demands for the City of Ouray, and Ouray County.
- This project includes the following sustainability components: 1) provides the City of Ouray with water supply transmission infrastructure redundancy, 2) it is 100 percent gravity fed water supply infrastructure 3) provides a sustainable renewable energy source for Ouray County (micro-hydropower), 4) improves water quality in the Uncompahgre River by reducing or eliminating a hot springs well discharge via a heat exchange system, and 5) increases the long term sustainability of existing municipal potable water supplies by reducing or eliminating the need to use current potable water supplies for non-potable uses.
- The project addresses an identified M&I water gap for the City of Ouray, as the existing municipal supply does not allow for full time operation of the City's existing hydropower facility.
- The project is geared toward implementing the conservation best practices at high customer participation levels, in part through helping to, "Meet community water needs during periods of drought" (p. 6-18, CWP).
- The project will help avoid adverse effects to environmental and recreational interests through coordination with local agencies to obtain required permitting and to help provide reliable supply for the economically important Ouray Ice Park and will improve water quality by reducing or eliminating the hot springs discharge from the OX wells, which are in line with CWP and SWSI goals to, "meet Colorado's environment and recreation demands" (p. 6-15, CWP, and p. ES-28, SWSI).
- The project will also use existing infrastructure (existing supply line) and upgrading infrastructure (proposed supply line) to "optimize existing and future water supplies by: Maximizing use of existing and new in-basin supplies" (p. ES-28, SWSI).



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Water Activity Justification

- This project will help mitigate economic impacts on the rural community of Ouray by increasing the long-term sustainability of existing municipal potable water supplies by reducing or eliminating the need to use current potable water supplies for non-potable uses.
- The project protects pre-compact water rights and does not impact compact compliance.
- The project will not unreasonably increase the risk of non-compliance with interstate compacts or curtailment of existing water rights, through greater use of existing in-basin water rights.
- The project is cost effective by repurposing existing infrastructure and constructing new infrastructure to develop additional municipal potable water.
- The project has significant local investment and participation.
- The project will include a CWCB loan feasibility study to provide the initial steps from project funding through borrowing.

The Project is in line with additional goals of the Colorado Water Plan (CWP), most recent Statewide Water Supply Initiative (SWSI), and Gunnison Basin Implementation Plan (GBIP)

- "Provide operational flexibility and coordinated infrastructure" (p. ES-28, SWSI).
- "In the Gunnison Basin, much of the M&I and SSI new water needs will be addressed through greater use of existing water rights and new regional in-basin projects" (p. 5-10, SWSI).
- "Protect the waters of the state for maximum beneficial use without waste" (p. 1-3, SWSI).
- "Goal 4: Identify and address municipal and industrial water shortages...[through] development of water supplies for...hydropower" (p. 9, GBIP).

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



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Matching Requirements: Basin Account Requests	
Basin (only) Account grant requests require a 25% match (cash and/or in-kind) from the Applicant or 3 rd 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)

Matching Requirements: Statewide Account Requests	
Statewide Account 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 3 rd party (cash, in-kind, or combination). The remaining 30% of the required match may be provided from any other source (Basin, applicant, or 3 rd party) and shall be accompanied by a letter of commitment . Attach additional sheet if necessary.	
Contributing Entity	Amount and Form of Match (note cash or in-kind):
Ouray Ice Park Inc (OIPI)	\$25,700 (cash)
City of Ouray	\$10,000 (in-kind Grant Administration 9.8%)
Gunnison Basin WSRF	\$25,000 (cash)
Total Match	\$60,700 (cash & in-kind)
If you requested a Waiver to the Statewide Account matching, indicate % you wish waived. (Max 50% reduction of requirement).	



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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.

Currently incorporating this project into the City of Ouray Water Efficiency Plan by Wright Water Engineers, Inc, (pending). The Phase 1 Project is complimentary of the CWCB Water Efficiency Plan Program for the City of Ouray.

City of Ouray – Raw Water Pipeline Conceptual Alternatives and Costs Analysis (Draft), February 2019.

City of Ouray Hot Springs Master Plan, June 2016.

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

Awarded CWCB Water Efficiency Planning Grants

Augmentation Alternatives Analysis (WSRA Grants)

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.

The City of Ouray electors approved the collection, retention and spending of the full amount of non-federal grant revenues as a voter approved revenue change without limitation or condition under Article X, Section 20 of the Colorado Constitution and C.R.S. 29-1-301 in 1994.



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Colorado Water Conservation Board	
Water Supply Reserve Fund	
<u>Exhibit A - Statement of Work</u>	
Date:	August 27, 2019
Water Activity Name:	City of Ouray Non-potable Water Supply Project Phase 1
Grant Recipient:	City of Ouray
Funding Source:	WSRF Basin and Statewide Accounts
Water Activity Overview: (Please provide brief description of the proposed water activity (no more than 200 words). Include a description of the overall water activity and specifically what the WSRF funding will be used for.	
<p>Phase 1 of the City of Ouray's Non-potable Water Supply Project Phase 1 (Phase 1) consists of a conceptual design and loan feasibility study for constructing a new 10-inch diameter potable water pipeline (Proposed Pipeline) and repurposing an existing 10-inch Potable Pipeline (Existing Pipeline) to a non-potable water supply pipeline. Funding for Phase 1 will be used for surveying, existing utility mapping, an evaluation of the Existing Pipeline and spring water collection system, a preliminary geotechnical investigation, conceptual design (30% level), an environmental permitting assessment, an easement needs assessment, and a loan feasibility study. The current water source for the City is the Wehawken Spring. The Wehawken Spring serves as the City's primary water supply source to serve the City's 1,034 residents, the Ouray Ice Park, the City's existing Hydropower Plant, Bachelor Switch Water User Association and the Mineral Farms subdivision. During the winter, when the Wehawken Spring production is low, the City has had difficulty meeting all of these service demands.</p> <p>The Existing Pipeline is approximately 12,300 feet in length and the Proposed Pipeline is approximately 8,400 feet in length. Phase 1 of this project addresses multiple purposes that include repurposing the Existing Pipeline to provide a more firm non-potable water supply for the Ice Park, provide excess water for the existing Hydropower Plant to allow for year-round operation, potential heat transfer for the pool, and redundant backup supply pipeline for the City's potable water system. The Proposed Pipeline also provides an opportunity for an additional hydropower production.</p>	
Objectives: (List the objectives of the project)	
<p>Phase 1 includes conceptual design development and collection of financial feasibility information which work towards the following objectives:</p> <ul style="list-style-type: none">• Provide the City of Ouray with a redundant water supply system• Develop a more firm water supply for the Ouray Ice Park to help sustain the positive impact the Ice Park has on the City's economy• Develop a year-round raw water supply for the City's existing hydropower plant• Investigate the opportunity to include a micro-hydropower project with the Proposed Pipeline• Protect the City's senior Wehawken Creek flow water right	



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Tasks
Provide a detailed description of each task using the following format:
<u>Task 1 – Non-Potable Water Supply Pipeline Conceptual Design and System Evaluation</u>
Description of Task:
<p>Task 1 is expected to consist of the following activities for the basis of the Loan Feasibility Study:</p> <ul style="list-style-type: none">• Conduct a survey of the existing pipeline alignment to help inform the design of the Proposed Pipeline and the proposed non-potable diversion structure on Wehawken Creek. Existing utility and easement mapping will be included as part of this effort.• Perform a preliminary geotechnical investigation at key points along the pipeline alignment to help inform the design of the Proposed Pipeline and the proposed non-potable diversion structure on Wehawken Creek.• Perform an evaluation of the existing Wehawken Spring collection system to determine if any improvements are needed to maintain the long-term integrity of this system as a potable water supply for the City.• Perform an evaluation of the Existing Pipeline to determine if maintenance or partial replacement is needed to maintain the long-term integrity of this existing pipeline.• Perform a Water Rights evaluation of the City's Wehawken Creek water right to confirm its suitability for use as a legal water supply source.• Development of preliminary (30% level) design drawings for the proposed Wehawken Creek Diversion Structure, Proposed Pipeline, interconnection of the Existing and Proposed Pipeline (CDPHE cross-connection control), and improvements to the Existing Pipeline to facilitate repurposing as a non-potable water supply line. Conceptual level calculations for potential hydropower production and location recommendations will be included.
Method/Procedure:
<ul style="list-style-type: none">• Collect existing topographic data, utility locations, and easement information along the existing pipeline alignment. A Colorado licensed professional land surveyor will conduct a field survey of the existing pipeline where existing topographic information does not exist, incorporate utility locates, and easement information into the survey. The City's attorney will also support the easement needs assessment.• A Colorado licensed geotechnical engineering will perform a field visit to collect soil samples to develop initial geotechnical recommendations for installation of the Proposed Pipeline and non-potable diversion structure.• Perform a video inspection of the existing Wehawken Spring collection system. A Colorado licensed professional engineer will review this information and assess potential maintenance needs and or improvements to the collection system.• Perform an inspection of the Existing Pipeline via video inspection, pressure test, or an inline inspection tool. A Colorado licensed professional engineer will review this information and assess potential maintenance needs and or replacement of portions of the Existing Pipeline.• The City's Water Rights attorney will be consulted to form an opinion on the suitability for the City to use its Wehawken Creek water right as a legal water supply source.• Prepare preliminary (30% level) design drawings for the project using AutoCAD.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
A set of preliminary (30% level) design drawings will be provided. Drawings will identify potential utility conflicts and easement needs.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
A set of preliminary (30% level) design drawings will be provided. Drawings will identify potential utility conflicts and easement needs.



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Tasks
Provide a detailed description of each task using the following format:
<u>Task 2 – Preparation of CWCB Loan Feasibility Study</u>
Description of Task: Task 2 is expected to consist of the following activities: <ul style="list-style-type: none">• Investigation of the environmental and cultural impacts of the project, including considerations for U.S. Army Corps Section 404 permitting.• Summarize the suitability for the City to use its Wehawken Creek water right as a legal water supply source.• Summarize major project components, and design assumptions.• Summarize the grantee's financial background.• Develop 30% level cost estimate for construction of the project based on work in Task 1, summarize potential easement acquisition costs, quantify potential hydropower revenue, and develop an estimated loan repayment schedule.
Method/Procedure: <ul style="list-style-type: none">• Coordinate with U.S. Army Corps of Engineers and other regulatory agencies as necessary to assess permitting requirements for potential environmental and cultural resource impacts.• Document the suitability for the City to use its Wehawken Creek water right as a legal water supply source, including decree information. The City's Attorney will also support this water rights evaluation summary.• In locations where existing easements are not available for construction, conduct preliminary interviews with landowners to assess needed compensation for granting easement.• Work with the City of Ouray to summarize necessary financial background in consideration of loan and repayment schedule.• Develop 30% level construction cost estimate for construction of the project using industry standard references and guidance based on the engineering from Task 1.• Prepare hydropower calculations to estimate potential revenue stream as a result of including this project component. Engage San Miguel Power Association to discuss preliminary power by-back rates.• Prepare report for review by the CWCB staff. Incorporate comments from CWCB staff and prepare a final report for CWCB Board Review.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
Loan Feasibility Study Report.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Draft Loan Feasibility Study (80% Level) for review and comment. Final Loan Feasibility Study.

Repeat for Task 3, Task 4, Task 5, etc.



Last Update: November 25, 2019

Budget and Schedule

Exhibit B - Budget and Schedule: This Statement of Work shall be accompanied by a combined [Budget and Schedule](#) that reflects the Tasks identified in the Statement of Work and shall be submitted to CWCB in excel format. A separate excel formatted Budget is required for engineering costs to include rate and unit costs.

Reporting Requirements

Progress Reports: The grantee shall provide the CWCB a progress report every 6 months, beginning from the date of issuance of a purchase order, or the execution of a contract. The progress report shall describe the status 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. The CWCB may withhold reimbursement until satisfactory progress reports have been submitted.

Final Report: At completion of the project, the grantee shall provide the CWCB a Final Report on the grantee's letterhead that:

- Summarizes the project and how the project was completed.
- Describes any obstacles encountered, and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries of meetings and engineering reports/designs.

Payments

Payment will be made based on actual expenditures, must include invoices for all work completed and must be on grantee's letterhead. The request for payment must include a description of the work accomplished by task, an estimate of the percent completion for individual tasks and the entire Project in relation to the percentage of budget spent, identification of any major issues, and proposed or implemented corrective actions.

The CWCB will pay the last 10% of the entire water activity budget when the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the water activity and purchase order or contract will be closed without any further payment. Any entity that fails to complete a satisfactory Final Report and submit to CWCB within 90 days of the expiration of a purchase order or contract may be denied consideration for future funding of any type from CWCB.

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.



COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

Colorado Water Conservation Board

Water Supply Reserve Fund

EXHIBIT B - BUDGET AND SCHEDULE - Direct & Indirect (Administrative) Costs

Date: 9/10/19

Water Activity Name: City of Ouray Non-potable Water Supply Project Phase 1

Grantee Name: City of Ouray

<u>Task No.</u> ⁽¹⁾	<u>Description</u>	<u>Start Date</u> ⁽²⁾	<u>End Date</u>	<u>Matching Funds</u> (cash & in-kind) ⁽³⁾	<u>WSRF Funds</u> (Basin & Statewide combined) ⁽³⁾	<u>Total</u>
1	Non-Potable Water Supply Pipeline Conceptual Design and System Evaluation as required for Loan Feasibility Study	4/26/2020	01/31/21	\$30,300	\$56,400	\$86,700
2	Preparation of CWCB Loan Feasibility Study	4/26/2020	01/31/21	\$5,400	\$9,900.00	\$15,300
Total				\$35,700	\$66,300	\$102,000

(1) The single task that include costs for Grant Administration must provide a labor breakdown (see Indirect Costs tab below) where the total WSRF Grant contribution towards that task does not exceed 15% of the total WSRF Grant amount.

(2) Start Date for funding under \$100K - 45 Days from Board Approval; Start Date for funding over \$100K - 90 Days from Board Approval.

(3) Round values up to the nearest hundred dollars.

• Additional documentation providing a Detailed/Itemized Budget may be required for contracting. Applicants are encouraged to coordinate with the CWCB Project Manager to determine specifics.

• Reimbursement eligibility commences upon the grantee's receipt of a Notice to Proceed (NTP)





• NTP will not be accepted as a start date. Project activities may commence as soon as the grantee enters contract and receives formal signed State Agreement.

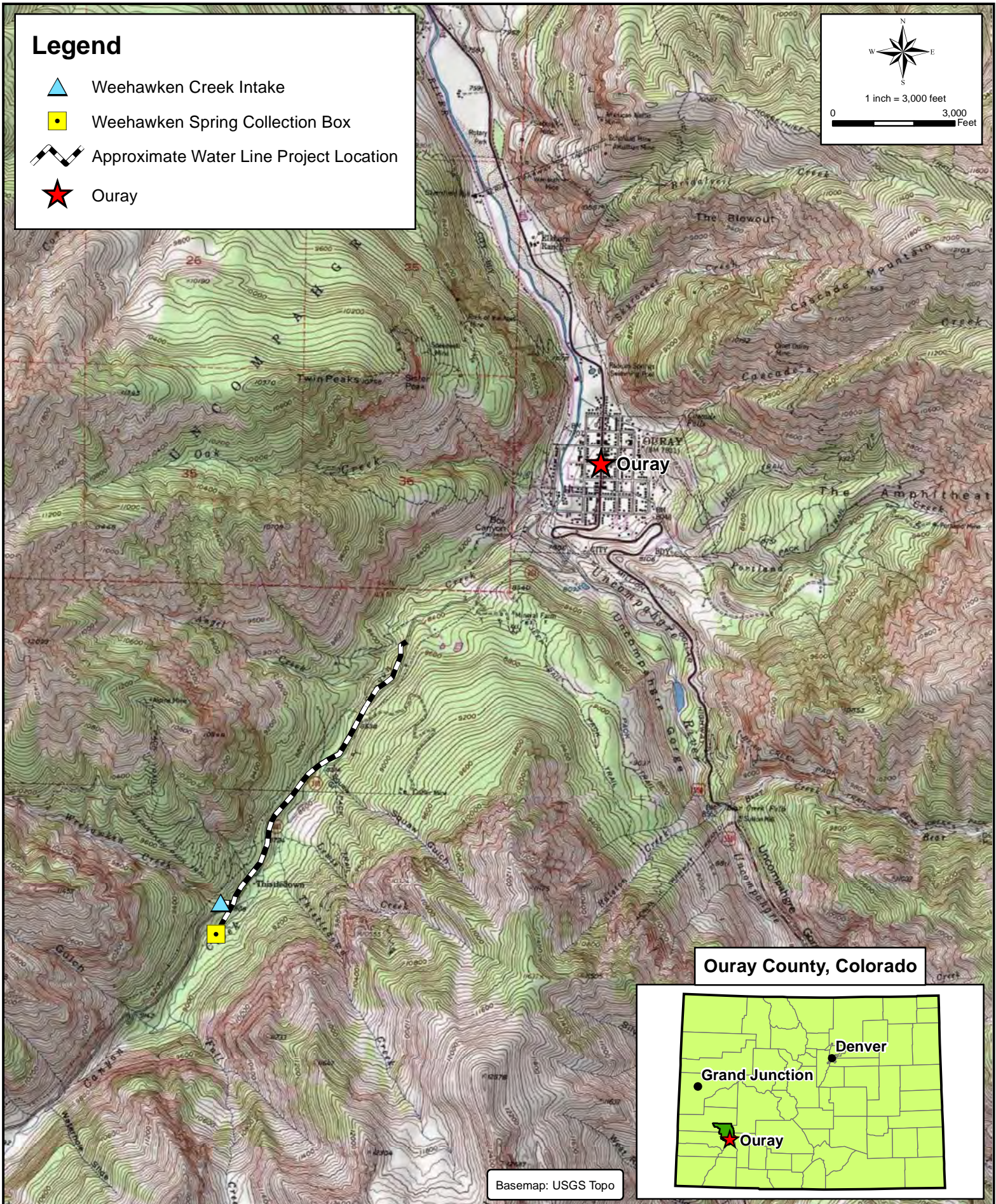
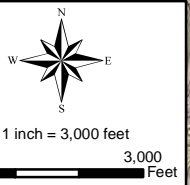
The CWCB will pay the last 10% of the entire water activity budget when the Final Report is completed to the satisfaction of the CWCB staff project manager. Once the Final Report has been accepted, the final payment has been issued, the water activity and purchase order (PO) or contract will be closed without any further payment. Any entity that fails to complete a satisfactory Final Report and submit to the CWCB with 90 days of the expiration of the PO or contract may be denied consideration for future funding of any type from the CWCB.

• Additionally, the applicant shall provide a progress report every 6 months, beginning from the date of contract execution

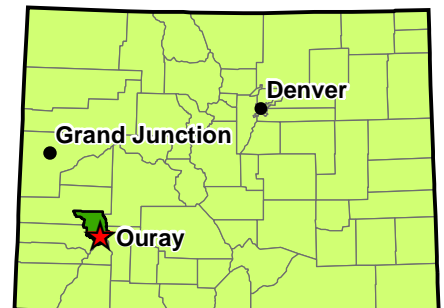
• Standard contracting procedures dictate that the Expiration Date of the contract shall be 5 years from the Effective Date.

Legend

-  Weehawken Creek Intake
-  Weehawken Spring Collection Box
-  Approximate Water Line Project Location
-  Ouray



Ouray County, Colorado



Basemap: USGS Topo

Date: 2/13/2020 Document Path: P:\051-036\000 Water Right Inventory\Mapping\Map 1 - City of Ouray Non-Potable Water Supply Project Phase 1.mxd

User Name: tdwning



Wright Water Engineers, Inc.
1666 N. Main Ave., Ste C
Durango, CO 81301
(970) 259-7411 ph 259-8758 fx

OURAY COUNTY, CO
**CITY OF OURAY NON-POTABLE
WATER SUPPLY PROJECT PHASE 1**
CITY OF OURAY

PROJECT NO.
051-036.000

MAP
1