

**Water Supply Reserve Fund
Water Activity Summary Sheet
September 16-17, 2020
Agenda Item 19(c)**

Applicant & Grantee: Pueblo County
Water Activity Name: Italian & Suburban Lateral Water Improvement Project
Water Activity Purpose: Agricultural-Implementation
County: Pueblo
Drainage Basin: Arkansas
Water Source: Arkansas River
Amount Requested: \$46,400 Arkansas Basin Account
\$162,900 Statewide Account
\$209,300 Total Request

Matching Funds: Basin Account Match = \$46,400

- 28% of statewide request (meets 10% min)

Applicant & 3rd Party Match (cash & in-kind) = \$719,400

- 4.4 times the statewide request (meets 10% min)

Total Match (Basin request & Applicant Match) = \$765,800

- 4.7 times the statewide request (meets 50% min)

Staff Recommendation:

Staff recommends approval of up to \$46,400 from the Arkansas Basin Account and up to \$162,900 from the Statewide Account to help fund the project: Italian & Suburban Lateral Water Improvement Project.

Water Activity Summary: WSRF Funds, if approved will assist Pueblo County replace 12,833 feet of open ditch to buried pipeline. This improvement will improve irrigation water delivery to 2,500 acres of chilies, alfalfa, corn, pumpkin, tomatoes, cucumbers, peppers, onions, melons, squash, hay, and bean production by substantially reducing conveyance losses to 204 shareholders, and help to reduce injurious water intrusion into existing residential septic system leach fields and basements.

Discussion: This effort will assist the Arkansas Basin Roundtable satisfy their Basin Implementation Plan goal of sustaining agriculture (Section 1.6.2.2: Consumptive Goal – Agriculture)

Issues/Additional Needs: The applicant shall submit all outstanding letters of matching commitment prior to entering into a grant contract with the state, otherwise no issues or additional needs have been identified.

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
Pueblo County	\$0	\$186,700	\$186,700	Secured
USDA NRCS	\$462,700	\$0	\$462,700	Pending
Bessemer Ditch Company	\$0	\$20,000	\$20,000	Pending
Suburban Lateral Ditch Company	\$50,000	\$0	\$50,000	Secured
Sub-total	\$512,700	\$206,700	\$719,400	
WSRF Metro Account	\$46,400	\$0	\$46,400	Secured
Sub-total	\$559,100	\$206,700	\$765,800	
WSRF Statewide Account	\$162,900	n/a	\$162,900	
Total Project Costs	\$722,000	\$206,700	\$928,700	

CWCB Project Manager: Craig Godbout

Arkansas Basin Roundtable

July 23, 2020

Via Electronic Mail: sam.stein@state.co.us

Mr. Sam Stein
Colorado Water Conservation
Board 1313 Sherman Street,
Room 721
Denver, CO 80203

Re: Water Supply Reserve Fund Grant Application: Italian Lateral Water Efficiency Case Study

Dear Sam:

At its July 8, 2020 meeting, the Arkansas Basin Roundtable (ABRT) approved support of the Italian Lateral Water Efficiency Case Study grant application for \$46,400 in Basin funds and \$162,900 in Statewide Funds.

The applicant is providing \$719,400 in matching funds. This Italian Lateral Water Efficiency Case Study project meets the Colorado Water Plan goal of water conservation and reuse to improve “agricultural irrigation conservation and efficiency”. In addition, the project meets goal 1.6.2.2 (Consumptive Goal - Agricultural) of the Arkansas Basin Roundtable Implementation Plan by 1) helping to sustain the agricultural economy in the basin; and 2) providing increasing quantities of augmentation water for increased farm efficiencies and goal 1.6.3 (Nonconsumptive Goals – Environmental and Recreational) by improving water quality as it relates to the environment.

The project area is important agricultural land for Pueblo County. Crops irrigated in the 2,500-acre project area include Pueblo Chile, alfalfa, corn, pumpkins, tomatoes, cucumbers, peppers, onions, melons, squash, hay, grass, beans, and more. The 204 registered shareowners/water users’ crops are heavily impacted by the loss of water caused by the poor condition of the current ditches. The proposed grant will fund conversion of 12,833 feet of ditch to pipeline and preserve crucial agricultural water resources. WSRF funding will leverage \$462,700 in USDA Natural Resources Conservation Service (NRCS) funding for pipe and materials and design engineering and construction inspection services; \$46,400 in Arkansas Basin Roundtable cash; \$186,700 in in-kind from Pueblo County for construction (road crossings) and traffic control; \$20,000 in in-kind from Bessemer Ditch Company for concrete disposal; and \$50,000 in cash from the Suburban Lateral members.

The ABRT approved supporting this application by consensus and there were no dissenting views. Should you have any questions or concerns, please feel free to contact me either by telephone, 719-668-8028, or by email, mshea@csu.org.

/s/ Mark Shea
Chair

Copy via email: Applicant; Abby Ortega, Needs Assessment Chair



Last Update: July 31, 2018

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application

Instructions

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 303-866-3441 x3238	Gunnison North Platte South Platte Yampa/White Craig Godbout craig.godbout@state.co.us 303-866-3441 x3210	Colorado Metro Rio Grande Southwest Megan Holcomb megan.holcomb@state.co.us 303-866-3441 x3222
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WSRF Submittal Checklist (Required)
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TBD	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>)
To follow	Letters of Matching and/or Pending 3 rd Party Commitments ⁽²⁾
X	Map ⁽²⁾
To follow	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:	August 2020
Desired Notice to Proceed Date:	November 2020

Water Activity Summary		
Name of Applicant	Pueblo County, Colorado	
Name of Water Activity	Italian and Suburban Lateral Water Improvement Project (structural process – conversion of open ditch to pipeline)	
	Approving Roundtable(s)	Basin Account Request(s) ⁽¹⁾
	Arkansas Basin	\$46,400 in basin funds
	Basin Account Request Subtotal	\$46,400
	Statewide Account Request ⁽¹⁾	\$162,900
	Total WSRF Funds Requested (Basin & Statewide)	\$209,300
	Total Project Costs	\$928,700

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

Amount to be determined.



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Grantee and Applicant Information	
Name of Grantee(s)	Pueblo County, Colorado (serving as fiscal agent)
Mailing Address	215 West 10 th Street, Pueblo CO 81003
FEIN	84-6000797
Grantee's Organization Contact ⁽¹⁾	Garrison Ortiz
Position/Title	Chairman of the Pueblo County Board of Commissioners
Email	ortizga@pueblocounty.us
Phone	719-583-6564
Grant Management Contact ⁽²⁾	Ashley Huggins
Position/Title	Accounting and Grant Manager
Email	huggins@pueblocounty.us
Phone	719-583-4411
Name of Applicant (if different than grantee)q	Suburban Lateral Ditch Company
Mailing Address	Ross Ayler, Mountain West Ag Equip Sales, 29622 Iris Rd, Pueblo CO 81006
Position/Title	President
Email	j.rossayler@comcast.net
Phone	719-568-4109

(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).
Pueblo County is one of the 64 counties in the State of Colorado. The county seat is Pueblo. The Board of Pueblo County Commissioners is elected by voters to represent three individual districts within Pueblo County. The Board serves as the administrative and policy-setting authority of Pueblo County and provides services outlined in the Constitution of the State of Colorado, including approving an annual balanced budget, overseeing the provision of government services, land use management, engineering/public works, roads and bridges, housing and human services, veterans, and social services.



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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)	
	Study
X	Implementation

Category of Water Activity (check all that apply)	
	Nonconsumptive (Environmental)
	Nonconsumptive (Recreational)
X	Agricultural
	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	Pueblo
Latitude	38.23 N
Longitude	104.51 W



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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.

Over the past 25 years, the deterioration of the Bessemer Ditch Italian and Suburban Laterals has led to increasing residual loss of water. 2,450 gallons per minute flow through the Italian Lateral ditch; 6,598 gallons per minute flow through the Suburban lateral ditch. The leakage caused by the deteriorated ditches is draining much-needed water resources from the farmers who need it. The drainage eventually rests on leach fields and creeps toward basements of nearby residents. When running at full capacity, the loss of ditch water extends up to 30 feet from the ditch walls.

The project area is important agricultural land for Pueblo County. Crops irrigated in the 2,500-acre project area include Pueblo chiles, alfalfa, corn, pumpkins, tomatoes, cucumbers, peppers, onions, melons, squash, hay, grass, beans, and more. The 204 registered shareowners/water users' crops are heavily impacted by the loss of water caused by the poor condition of the current ditches.

WSRF will fund conversion of 12,833 feet of ditch to pipeline and preserve crucial agricultural water resources. WSRF funding will leverage \$462,700 in USDA Natural Resources Conservation Service (NRCS) funding for pipe and materials and construction inspection services.

Measurable Results

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

	New Storage Created (acre-feet)	
480 ac ft/irrigation season	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)	
	Efficiency Savings (indicate acre-feet/year OR dollars/year)	
	Area of Restored or Preserved Habitat (acres)	
12,833	Length of Pipe/Canal Built or Improved	
	Other	Explain:



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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](#) ⁽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).

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](#)).

This Italian Lateral Water Efficiency Case Study project meets the Colorado Water Plan goal of *water conservation and reuse* to improve "agricultural irrigation conservation and efficiency". In addition, it meets the *alternative agricultural transfers* goal to "respect property rights and the contributions of the agricultural industry by maximizing options for alternatives to permanent agricultural dry-up.

The project addresses the Statewide Water Supply Initiative (SWSI) key finding that the Arkansas River Basin faces water supply-limited consumptive use and full irrigation water requirement shortages of 500,000 AFY each by implementing a measure that will conserve a tremendous amount of water now lost due to the current deteriorated open ditch.

In addition, the project meets goal 1.6.2.2 (Consumptive Goal - Agricultural) of the Arkansas Basin Roundtable Implementation Plan because it

- Sustains agriculture by improving irrigation to 36% of all farmland on the St. Charles Mesa protecting an economic stronghold that supports indirect industry including small processors, livestock feeding etc. since 1931;
- Develops a local water conscious land use strategy that supports 21% of all water stakeholders on the St. Charles Mesa;
- Environmentally, encourages a high level of conservation, saving over 480 football fields of water one foot in depth every season and returning it to the Arkansas River;
- Embodies Colorado Water Plan objectives;
- Meets 2025 75% Incorporated Water Savings Plan for DOLA growth and Water Initiative;
- Fits Water Smart from the Start integrating Residential, Country Storm Water Planning, and Utility Considerations;
- Institutionalizes process and creates collaborative stakeholder relationships;
- Acts as an example of Best Practices on Water Efficiency Options and Integration for education; and
- Is a multi-purpose project: it increases ag business productivity, bounty, profitability while reducing operating costs; supports agritourism (Chilifest); attracts investors such as Whole Foods and the Pueblo Food Project; provides a food source; and provides employment for local residents and restaurants which COVID has put in short supply.

This project fully conforms to the criteria for state support in the 2016 WSRF Criteria and guidelines in that it

- 1) Demonstrates a commitment to collaboration
 - a. Addresses more than one type of need – agricultural and environmental.
 - b. Involves multiple participants - – 58 registered shareholders/water users along the Italian Lateral and 146 registered shareholders/water users along the Suburban lateral are collaborating with Pueblo County, the USDA NRCS, and others to pilot this project and plan for four additional phases.



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Water Activity Justification

- c. Consults with a broad set of local stakeholders and governments – farmers, residential owners, Pueblo County government, the regional economic development district, have been part of planning this project.
- 2) Addresses an identified water gap
 - a. The project meets a defined need in the SWSI
- 3) Demonstrates sustainability
 - a. mitigates economic impacts on agricultural communities
 - b. maximizes use of water resources
 - c. partners with local government being served by the water project
- 4) Demonstrates fiscal and technical feasibility
 - a. Leverages state grant with federal funding (USDA NRCS)
 - b. Readiness to proceed upon receipt of funding and permits – USDA funding secured; design engineering complete; construction bids solicited and received.

Innovative Conservation Solutions, Inc.'s report, *Navigating the Wake of Municipal Water Sales* makes a case for preserving agricultural and water resources along the Bessemer Ditch:

“When analyzing Bessemer irrigated farmlands, nearly half the parcels where water was purchased rank 90% or higher for protection priority (meaning they possess prime soils, exceptional production capability, demonstrated historic productivity, and are both sizable and contained within important farm production “clusters”). Under almost any agricultural economic objective, these are the lands that should be retained in irrigated agriculture.”¹

¹ <https://www.innovativeconservationsolutions.com/2017/07/01/ics-navigates-the-wake-of-municipal-water-sales/>, retrieved November 26, 2019.



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Water Activity Justification

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

Matching Requirements: Basin Account Requests	
<p>Basin (only) Account grant requests require a 25% match (cash and/or in-kind) from the Applicant or 3rd 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.</p>	
Contributing Entity	Amount and Form of Match (note cash or in-kind)
<p>If you requested a Waiver to the Basin Account matching requirements, indicate the percentage you wish waived.</p>	



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Matching Requirements: Statewide Account Requests	
<p>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 3rd party (cash, in-kind, or combination). The remaining 30% of the required match may be provided from any other source (Basin, applicant, or 3rd party) and shall be accompanied by a letter of commitment. Attach additional sheet if necessary.</p>	
Contributing Entity	Amount and Form of Match (note cash or in-kind):
USDA NRCS	\$462,700 cash - piping and materials; construction inspections
Pueblo County – in-kind match for construction (road crossings) and traffic control	\$186,700
Bessemer Ditch Company – in-kind match for acceptance of concrete waste to use as rip-rap (calculated by savings in tipping fees)	\$20,000
Suburban Lateral membership – cash match	\$50,000
Arkansas Basin Roundtable (requested)	\$46,400
Total Match	\$765,800
If you requested a Waiver to the Statewide Account matching, indicate % you wish waived. (Max 50% reduction of requirement).	

Related Studies
<p>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.</p>
<p>Design engineering is complete.</p>



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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

Not applicable.

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.

Not applicable.



Last Update: March 17, 2020

<https://cwcb.colorado.gov/>

Colorado Water Conservation Board	
Water Supply Reserve Fund	
<u>Exhibit A - Statement of Work</u>	
Date:	May 30, 2020
Water Activity Name:	Italian and Suburban Lateral Water Improvement Project
Grant Recipient:	Pueblo County, CO
Funding Source:	Basin and State CWCB funding; USDA NRSC and local match
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. (PLEASE DEFINE ALL ACRONYMS).)	
<p>Over the past 25 years, the deterioration of the Bessemer Ditch Italian and Suburban Laterals has led to increasing residual loss of water. 2,450 gallons per minute flow through the Italian Lateral ditch; 6,598 gallons per minute flow through the Suburban lateral ditch. The leakage caused by the deteriorated ditches is draining much-needed water resources from the farmers who need it. The drainage eventually rests on leach fields and creeps toward basements of nearby residents. When running at full capacity, the loss of ditch water extends up to 30 feet from the ditch walls.</p> <p>The project area is important agricultural land for Pueblo County. Crops irrigated in the 2,500-acre project area include Pueblo chiles, alfalfa, corn, pumpkins, tomatoes, cucumbers, peppers, onions, melons, squash, hay, grass, beans, and more. The 204 registered shareowners/water users' crops are heavily impacted by the loss of water caused by the poor condition of the current ditches.</p> <p>WSRF will fund conversion of 12,833 feet of ditch to pipeline and preserve crucial agricultural water resources. WSRF funding will leverage \$462,700 in USDA Natural Resources Conservation Service (NRCS) funding for pipe and materials and design engineering and construction inspection services; \$46,400 in Arkansas Basin Roundtable cash; \$186,700 in in-kind from Pueblo County for construction (road crossings) and traffic control; \$20,000 in in-kind from Bessemer Ditch Company for concrete disposal; and \$50,000 in cash from the Suburban Lateral members.</p>	
Objectives: (List the objectives of the project. (PLEASE DEFINE ACRONYMS).)	
<ol style="list-style-type: none"> 1. Convert 12,833 feet of open ditch on the Italian and Suburban Laterals to pipeline. 2. Conserve water resources for agricultural along the lateral. 3. Alleviate surface flooding impacting residential properties along the lateral. 	



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<https://cwcb.colorado.gov/>

Tasks	
Provide a detailed description of each task using the following format: (PLEASE DEFINE ACRONYMS)	
<u>Task 1 - Construction</u>	
Description of Task:	
Construction necessary to convert open ditch to pipeline, including demolition, construction, construction inspections (provided as in-kind contribution by US Department of Agriculture (USDA), Natural Resource Conservation Service (NRCS), and restoration.	
Method/Procedure:	
Grantee will competitively bid the project and award the bid to the lowest responsive bidder. Contracted firm will perform the construction services. USDA NRCS will provide construction inspection services.	
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)	
As-built drawings Construction inspections Certification of completion	
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)	
As-built drawings Construction inspections Certification of completion	



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Tasks
Provide a detailed description of each task using the following format: (PLEASE DEFINE ACRONYMS)
<u>Task 2 – Grant Administration</u>
Description of Task:
Pueblo County will perform grant administration tasks, including fiscal management, contracting, and reporting.
Method/Procedure:
Pueblo County will manage the construction contract, perform fiscal management functions, and deliver all required grant reports.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
Pay requests Payment documentation Grant account ledgers Grant reports
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Pay requests Payment documentation Grant account ledgers Grant reports

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

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<https://cwcb.colorado.gov/>

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:

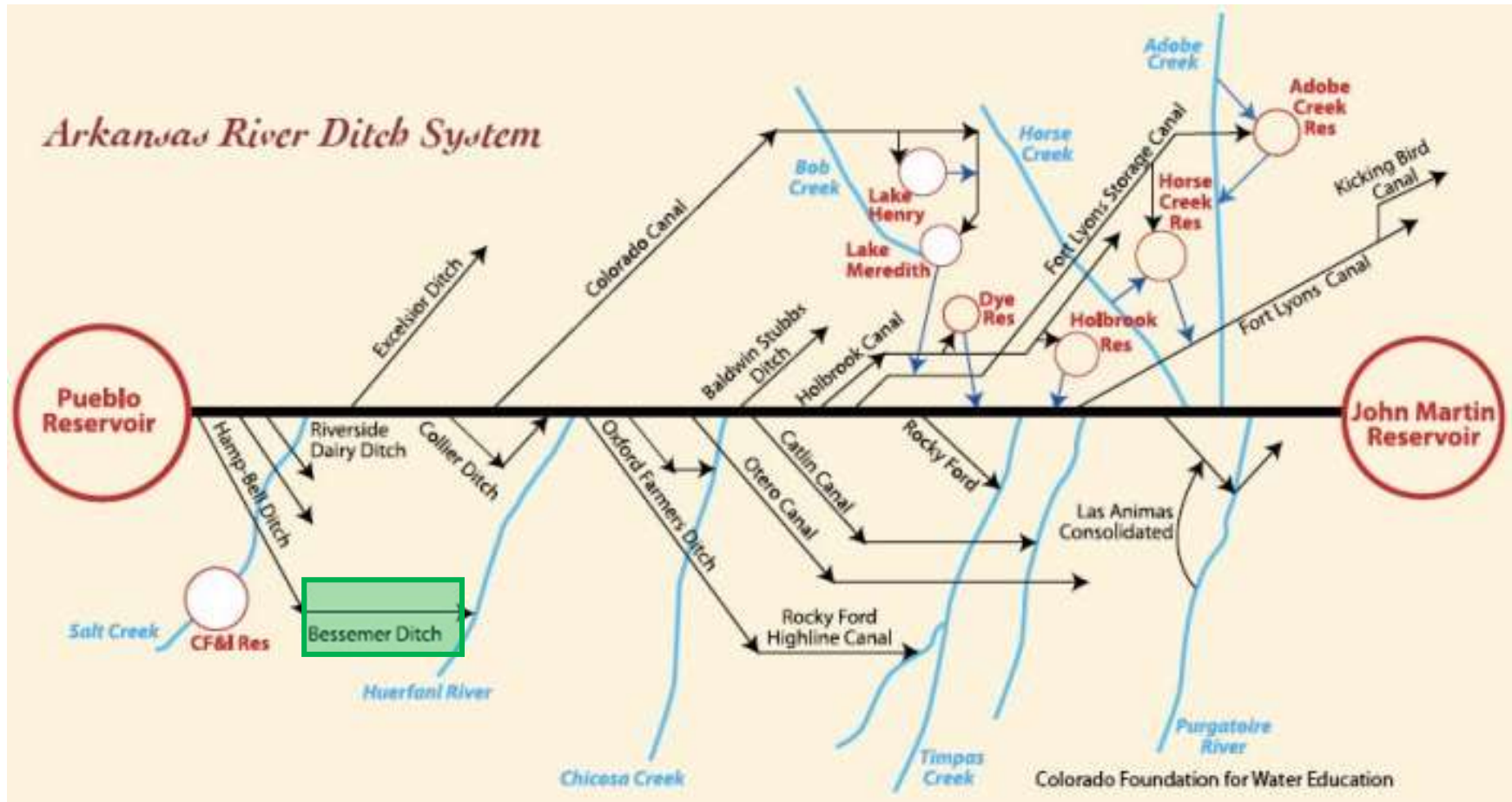
(a) Performance standards and evaluation: Grantee will produce detailed deliverables for each task as specified. Grantee shall maintain receipts for all project expenses and documentation of the minimum in-kind contributions (if applicable) per the budget in Exhibit B. Per Grant Guidelines, the CWCB 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.

EXHIBIT C - MAP



AGREEMENT AND RELEASE

THIS AGREEMENT is made and entered into this ___ day of June, 2020, by and between the Suburban Lateral Ditch Company (hereinafter also referred to as "Ditch Company" and Pueblo County, Colorado (hereinafter referred to as "County") and Ditch Company and County shall be referred to collectively as the Parties.

WHEREAS, the deterioration of the Bessemer Ditch Italian and Suburban Laterals over the past twenty-five years has led to increasing residual loss of water; and

WHEREAS, the leakage caused by the deteriorated ditches is draining much needed water resources from the farmers who rely on it and is creeping towards basements of nearby residents; and

WHEREAS, the members of the Ditch Company have a vested interest in the Italian and Suburban Lateral Project ("Project") which seeks to broaden local farmers' water infrastructure through conservation methods that refurbish the century-old irrigation system; and

WHEREAS, improvements to the Italian and Suburban Laterals are necessary to protect agricultural land which is crucial to our local economy; and

WHEREAS, the Ditch Company seeks to work with partners to convert 12,833 feet of open ditch on the Italian and Suburban Laterals to pipeline, conserve water resources for agriculture along the lateral, and alleviate surface flooding impacting residential properties along the laterals; and

WHEREAS, Pueblo County and the Ditch Company have applied for a Water Supply Reserve Fund Grant offered by the Colorado Water Conservation Board which would aid with funding the Project; and

WHEREAS, various individuals and entities have committed to provide grant match funding for the Project, including \$462,700 from the United States Department of Agriculture Natural Resources Conservation Service which will be disbursed directly to affected land owners, \$20,000 in-kind donation from the Bessemer Ditch Company for concrete disposal and \$50,000 from the Suburban Lateral members; and

WHEREAS, the Ditch Company has also applied for a \$46,400 grant from the Arkansas Basin Roundtable; and

WHEREAS, additionally, the Pueblo Board of County Commissioners ("County") supports the Project and has committed to serve as the Fiscal Agent for the Water Supply Reserve Fund Grant ("Grant") if awarded and to provide in-kind contributions to the project in the form of work to be performed by County administrative staff and the Pueblo County Public Works Department in the total amount of \$189,400.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions, and promises contained herein, the parties hereto agree as follows:

I. OBLIGATIONS OF COUNTY:

If the Water Supply Reserve Grant is awarded, County agrees to undertake the following obligations during the term of this Agreement:

- A. County shall serve as the fiscal agent for the Project and perform grant administration tasks including managing the construction contract and delivering all required grant narrative and financial reports. The County will also process payment requests and retain payment documentation, grant account ledgers and grant reports in accordance with the terms of the grant agreement.
- B. County shall ensure compliance with any Grant conditions and shall prepare reports required to be submitted to the Colorado Water Conservation Board.
- C. County shall contribute in-kind match totaling \$186,700 for road crossings construction and traffic control services. The breakdown of the estimated costs and schedule of work to be completed is detailed below:

Priority (Year 1)	
Action	Estimated Cost
County Farm crossing	\$15,000
Parkview crossing	\$15,000
Traffic Control for Italian	\$10,000
Subtotal Italian:	\$40,000
Iris crossing	\$15,000
Hardin crossing	\$15,000
Traffic Control for Suburban	\$10,000
Subtotal Suburban	\$40,000
Grand Total Priority	\$80,000

Secondary (Year 2)	
Action	Estimated Cost
Hillside crossing	\$15,000
Iris crossing	\$15,000
Traffic Control for Italian	\$10,000
Subtotal Italian:	\$40,000
South Road crossing	\$17,000
28 th Road crossing	\$17,000
29 th Road crossing	\$17,000
Traffic Control for Suburban	\$10,000
Subtotal Suburban	\$64,000
Grand Total Priority	\$104,000

D. County shall provide an additional in-kind donation in the amount of \$2,700 which represents expenses incurred by the County to serve as the fiscal agent for the Grant.

II. OBLIGATIONS OF DITCH COMPANY

If the Water Supply Reserve Grant is awarded, Ditch Company agrees to undertake the following obligations during the term of this Agreement:

- A. Ditch Company is responsible for following in-kind and grant requirements for the Project.
- B. Ditch Company shall be responsible for the completion of the construction necessary to convert open ditch to pipeline, including demolition, construction, construction inspections and restoration.
- C. Ditch Company shall competitively bid the project and award the bid to the most qualified bidder and the contracted firm shall perform the construction services.
- D. Ditch Company shall produce project engineering documents for the Project.
- E. In consideration of the promises called for herein, Ditch Company agrees to completely release and forever discharge the County, its agents, servants, representatives, employees, subsidiaries, affiliates, partners, predecessors, and successors in interest and assigns all other persons, firms, or corporations with whom the County has been, is, or may hereafter be affiliated, of and from any and all past, present, or future claims, liabilities, or causes of action, whether known or unknown, disclosed or undisclosed, material or

immaterial, liquidated or unliquidated, which or its assigns may have or may hereafter have against the County for or by reason of any matter, cause, or thing relating to the transfer, use, or condition of the materials provided and work performed for Ditch Company by County. Notwithstanding anything contained herein to the contrary, nothing contained herein shall be considered a waiver of the Colorado Governmental Immunity Act.

- F. Ditch Company further agrees to indemnify and hold the County harmless from any and all claims, actions, assessments, demands, liabilities, causes of action, whatsoever which may arise after the date of this Agreement, arising out of the transfer, use, or condition of the materials provided to or work performed for Ditch Company by County.

III. TERM/TERMINATION:

- A. This Agreement shall be effective on the date it is signed by both parties and, unless sooner terminated as provided herein, shall automatically terminate upon the completion of the Project and the Colorado Water Conservation Board's determination that the terms and requirements of the Grant have been fulfilled.
- B. Either party may terminate this Agreement without cause by giving 90 days' written notice to the other party.
- C. If either party terminates this agreement, any funds collected on behalf of the Project, and remaining in the possession of the County at the time of termination, shall be disposed of according to existing written agreements with funding sources. Funds and assets not covered by existing written agreements with funding sources may be transferred to another entity (the Successor) that is tax-exempt under IRS Section 501(c)(3). The Successor must be willing and able to sponsor the Project. The Successor must be approved in writing by the Ditch Company and the County by the end of the 90-day period for written notice of termination. Approval shall not be unreasonably withheld by either party. If a Successor is found, the balance of assets not covered by existing agreements with funding sources held by the County for the Project, together with any other assets held or liabilities incurred by the County in connection with the Project, shall be transferred to the Successor at the end of the 90-day period of written notice of termination or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required.
- D. Termination of this Agreement will not relieve either part of any claims against it that arise under this Agreement before the Agreement is terminated.

IV. APPROPRIATION OF FUNDS:

Ditch Company understands and agrees that this Agreement is expressly made subject to the annual appropriation of funds by County for its continuance and upon failure of County to appropriate funds for this Agreement, said Agreement shall be terminated without liability to the County. Notwithstanding this provision, the County will use its best efforts to make the annual appropriation.

V. OTHER:

- A. The parties hereto agree to execute such other documents and to take such other actions, which may reasonably be necessary to further the purpose of this Agreement.
- B. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors, and assigns.
- C. This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto.
- D. Sections II. E. and F. will survive termination or expiration of this Agreement.
- E. Ditch Company represents and declares that in executing this Agreement, it is relying solely upon its own judgment, belief, and knowledge, and/or the advice and recommendation of its own independently selected counsel.
- F. Ditch Company further represents and declares that it has carefully read this Agreement, knows the contents thereof, and has signed the same freely and voluntarily.
- G. To the extent that this Agreement may be executed and performance of the obligations of the parties may be accomplished within the intent of the Agreement, the terms of this Agreement are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof. The waiver of any breach of a term hereof shall not be construed as waiver of any other term.
- H. Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the County and the Ditch Company, and nothing contained in this Agreement shall give or allow any claim or right of action by any other or third person under this Agreement. It is the express intention of the County and the Ditch Company that any person other than the County or Ditch Company receiving benefits under this Agreement shall be deemed to be an incidental beneficiary only.

I. Ditch Company agrees to comply with all federal, state, and local laws or ordinances applicable to completing the Project.

J. The subject headings of the paragraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of its provisions.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first written above.

ATTEST:

PUEBLO COUNTY, COLORADO

By: _____

By: _____

Garrison Ortiz, Chair
Board of County Commissioners

ATTEST:

By: _____

By: _____

Ross Ayler, President
Suburban Lateral Ditch Company

SUBURBAN LATERAL
503 N MAIN ST., STE 110
PUEBLO, CO 81003
719-542-6959

12/23/2019

To whom it may concern.

The Suburban Lateral Ditch Company currently has \$40,000.00 available for use in installing pipelines within the Suburban lateral.

By the time construction would start we will contribute another \$10,000.00 from future shareholder assessments to be collected in 2020.

J. Ross Ayler



President

Naich Cordo



Vice President

THE BESSEMER IRRIGATING DITCH COMPANY

503 N. MAIN ST., STE 216
PUEBLO, COLORADO 81003
PHONE: 719-544-8584

Daniel L. Genova, President
Justin J. DiSanti, Vice President
MICHAEL S. HILL, Secretary-Treasurer, Superintendent

DIRECTORS
Robert R. Centa Daniel L. Genova David K. Simpson
Justin J. DiSanti Thomas S. Rusler Alan M. Ward
Blair A. Wells

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application
Department of Natural Resources
Arkansas Basin Roundtable
Ben Wade and Abigail Ortega

November 25, 2019

To Whom It May Concern:

As Secretary/Treasurer of the Bessemer Irrigating Ditch Company, I am proud to have the opportunity to help bring forth a local initiative that I believe is built on the values and water land use planning expectations that are of imperative importance in the State of Colorado. The project is the Italian Lateral Water Efficiency Case Study.

This project reflects water efficiency tools that support agriculture business productivity by strategically conserving water while maintaining it at its highest quality. Implementing this efficient pipeline irrigation delivery system with the partnership of the USDA, County government, farming and residential communities reduces barriers in agribusiness and encourages income stability for an entire economic arm of the region.

With measured water savings and a joint community effort, this team is leading by example. Positively impacting the local water infrastructure in a collaborative fashion has left the hearts and minds of those around them open to new ideas and invested in change.

Multidepartment collaboration has been key to their fast-paced growth and support. Upon visiting with them, you will identify their sincere regard for process and their inclusiveness in water problem solving resourcefulness. Assessing sharable ideas and a robust vision, the team's approach is atypical and a testament to a new methodology in growth and water in our state.

We hope you will endorse the Italian Lateral Water Efficiency Case Study by bestowing upon them the Water Supply Reserve Fund Grant in an effort to keep this relationship-based water collaboration moving forward. We feel it is an example that other communities in our water sensitive state can look to for inspiration.

Sincerely,



Michael S. Hill

Secretary/Treasurer - The Bessemer Irrigating Ditch Company



Southern Colorado Economic Development District
121 West City Center Drive, Suite 200, Room 200B
Pueblo CO 81003 • (719) 545-8680

November 26, 2019

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application
Department of Natural Resources

Arkansas Basin Roundtable
Ben Wade and Abigail Ortega

To whom it may concern:

I am writing in support of Pueblo County's application for Basin and State funding through the Water Supply Reserve Fund. The application supports the Italian Lateral Water Efficiency Case Study project. This project converts a deteriorating open ditch system to a pipeline, which will conserve water resources and preserve the ability to irrigate precious agricultural land in our county, while mitigating surface flooding issues for surrounding residential properties.

The project aligns with the Colorado Water Plan and the SWSI. So it stands on its merits on this measure alone. But it is also a model of collaboration and cooperation that I hope the Arkansas Basin Roundtable and the Colorado Water Conservation Board will choose to fund as a pilot and model that can be replicated throughout the state. Farmers, residents, Pueblo County, the USDA NCRS, and others are working side-by-side to plan and build a project that we believe will stand as a best practice. In fact, we have four more projects in the queue ready to advance once this project is complete.

Thank you for your thoughtful consideration of Pueblo County's application for funding.

Kind regards,

Shelly R. Dunham
Executive Director

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application
Department of Natural Resources

Please note that Dr. Valenzuela is out of state the week of November 25, 2019. He sent this letter via email. We will submit a signed copy before the Arkansas Basin Roundtable's December meeting.

Arkansas Basin Roundtable
Ben Wade and Abigail Ortega

November 25, 2019

Dear Colleagues of the Arkansas Basin Roundtable:

Greetings from Pueblo! I am a retired Pueblo surgeon and strong community supporter. It is with great pleasure that I volunteer and give witness to the Italian Lateral Water Efficiency Case Study.

I have had the great fortune to meet and discuss regional water issues with among others, Kevin Reide of the CWCB, KC McPhearson with DOLA, Erin Ruglon with the Babbit Center, and Allen Ward of Pueblo Water Works. After these fortunate connections, I learned of the Italian Lateral difficulties and was eager to share resources.

The Italian Lateral case study program aligns well with the Colorado Water plan and with the overall efforts of the CWCB. These dated ditches and irrigation systems are decades to centuries old and are clearly in disrepair wasting much water.

This grant money will be well spent, carefully administered by Pueblo County and will provide our agriculture community with the opportunity to continue to exist. For ease of communication I include a few bullet points:

LOCALLY:

- Decrease Water Use
- Increase the Likelihood of Maintaining the Generational Way of Life in Pueblo Agriculture
- Increase the Likelihood of Expanding the Lateral Solution Across the Entire St. Charles Mesa
- Decrease the Maintenance Cost Borne by the Agriculture Community
- Decrease the Agriculture Going to Suburban Development
- Increase the Property Values
- Decrease Storm Water Damage
- Decrease the Property and Crop Damage from Seepage
- Increase the Stakeholders Mutual Trust, Cooperation, and Pathway to Solutions
- Increase Funders Participation including Federal, State, Local and NGO

STATEWIDE EXAMPLE:

- Increase Leadership in Tough Times with Hotter, Drier and Irregular Climate
- Increase the Scale of Demand Management
- Decrease Trans-Basin Diversion to the Front Range

Sincerely,

Dr. James Valenzuela