



COLORADO
**Colorado Water
Conservation Board**
Department of Natural Resources

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Denver, CO 80203

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Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Matthew Stearns, P.E., Project Manager
Kirk Russell, P.E., Finance Section Chief

DATE: September 16-17, 2020, Board Meeting

AGENDA ITEM: 20a. Water Project Loan/Grant
Florida Consolidated Ditch Company – Florida Canal Diversion Replacement

Staff Recommendation for CWCB Loan:

Staff recommends the Board approve a loan not to exceed \$757,500 (\$750,000 for Project costs and \$7,500 for the 1% service fee) to the Florida Consolidated Ditch Company for costs related to the Florida Canal Diversion Replacement Project, from the Severance Tax Perpetual Base Fund. The loan terms shall be 30 years at a blended interest rate of 1.30% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

Staff Recommendation for WSRF Grant:

Staff recommends approval of up to \$250,000 from the Statewide Fund and \$25,000 from the Southwest Basin Fund to the Florida Consolidated Ditch Company for costs related to the Florida Canal Diversion Replacement Project.

Introduction:

The Florida Consolidated Ditch Company (Company) is applying for a loan and a Water Supply Reserve Fund (WSRF) grant for the Florida Canal Diversion Replacement (Project). The Florida Canal delivers water to shareholders for irrigation in La Plata County. The diversion structure was showing significant deterioration by 2017, when Lemon Reservoir released a large volume of water due to the good water year, and was subsequently damaged. While emergency repairs were installed soon after, they are temporary in nature and a long-term solution is needed. The long-term solution is rehabilitation of the structure that incorporates removal of a dangerous low-head dam and inclusion of in-stream fish passage improvements. The total Project cost is estimated to be \$1,200,000. The Company is requesting a loan for approximately 63% of the Project cost and a WSRF grant for approximately 23% of the Project cost. The Project has previously received approval of two Water Plan Grants at the May 2018 Board Meeting for \$175,000, or approximately 14% of the current Project cost. In addition, the company is seeking a grant from the Southwestern Water Conservation District. See attached Project Data Sheet for a location map and Project summary.



Background:

The Company diverts natural streamflow and storage water from the Florida River to approximately 18,000 acres of irrigated farmland in La Plata County by means of two diversions; one is the Florida Canal, and the other is the Florida Farmers Ditch. Specifically, the Florida Canal diverts an average of 10,254 AF of water a year for irrigation, including water from Lemon Reservoir, and it provides water to Pastorius Reservoir, a Colorado Parks and Wildlife State Wildlife Area.

As part of the U.S. Bureau of Reclamation (USBR) Florida Project, Lemon Reservoir provides “Project Water” that is used to regulate streamflow in the Florida River, and provides irrigation water on the Florida Mesa. This irrigation water is used in the service area of the Company and the Florida Water Conservancy District (District), which operates the Florida Project. Despite “Project Water” users receiving water from the Company, they are not shareholders and instead, the District pays the Company for delivery. The Florida River also contains two instream flow water rights near the Project, between Lemon Reservoir and the confluence of the Florida and the Animas Rivers.

The Florida Canal is controlled by a diversion structure and headgate approximately 9 miles downstream of Lemon Reservoir on the Florida River. The structure, constructed around 1975, is composed of concrete, steel, and wood, and is exhibiting significant deterioration. In early 2017, after a large release of water from Lemon Reservoir, portions of the timber-faced structure were damaged. Emergency repairs were installed in May 2017; however, these were temporary in nature and the Company is seeking a permanent solution that increases public safety by removing a dangerous low head dam, provides a more reliable source of water for Pistorius Reservoir, and enhances the aquatic habitat in the natural stream corridor by promoting fish passage and aquatic connectivity.

At the March 2018 Board Meeting, the Company was awarded a WSRF grant for \$99,000 to prepare the Feasibility Study, acquire the easement, and review environmental and cultural permitting needs. This combined with other grant funds and Company contributions, helped the Company to fund an interdisciplinary development of the project. In particular, the Company has coordinated with the landowner, US. Fish and Wildlife Service, and Colorado Parks and Wildlife to develop a multi-beneficial outcome project. The Project is supported by the State Engineer’s Office, Dam Safety Branch as it will remove a dangerous low-head dam, and by Colorado Parks and Wildlife as it will provide adult fish passage .

The Company is seeking a Water Project Loan and a WSRF grant, in addition to two Water Plan Grants from the Agricultural, and the Environmental and Recreation categories approved at the May 2018 Board meeting. The Company also has a pending application for a grant from the Southwestern Water Conservation District. This funding package will allow the Company to replace the existing diversion structure for the benefit of all shareholders and “Project Water” users.

Borrower – Florida Consolidated Ditch Company

The Company was established in 2014 with the consolidation of the four original Florida Mesa canal companies. These companies were the Florida Farmers Ditch Company, the Florida Canal Company, the Florida Canal Enlargement Company, and the Florida Cooperative Ditch Company, with shares of these companies consolidated into Class A; Class B and Class B Deeded; Class C; and Class D shares in the Company respectively. Class B deeded shares are the same as Class B shares, but without voting rights. In total, there are currently 293 shareholders with 6,200 shares. The company is a nonprofit

corporation in good standing with the Colorado Secretary of State and its 7-member Board of Directors exercise the corporate powers of the Company.

Revenues are primarily generated through assessments on shareholders and payments from the District for "Project Water." An annual budget, including assessments, is set at the annual shareholder meeting by a majority vote of shareholders with voting rights, with each share providing one vote. Payment of assessments are enforced by the Board of Directors through a 1% per month charge on delinquent assessments and a water shut off until payment is received in full, or in the case of nonpayment, by sale of the shares.

Loan Feasibility Study:

Peter Foster, P.E. of Wright Water Engineers, Inc. prepared the Loan Feasibility Study titled "Florida Canal Diversion Structure Rehabilitation Project, CWCB Loan Feasibility Study" dated July 2020. The feasibility study was prepared in accordance with CWCB guidelines and includes an analysis of alternatives, preliminary engineering design, construction cost estimates, with financial statements provided by the Company.

Water Rights:

The Company owns and operates two canals: the Florida Canal, which diverts water under the Florida Canal (Share B) and Florida Canal Enlargement (Share C) water rights, and the Florida Farmers Ditch, which diverts water under the Florida Farmers Ditch (Share A) and Florida Co-operative Ditch (Share D) water rights. Water delivered to Pastorius Reservoir is decreed under the Florida Canal water rights. Water rights related to the Project diversion structure are summarized in Table 1.

TABLE 1: PROJECT WATER RIGHTS

Name (Share)	Amount	Appropriation Date	Adjudication Date	Water Court Case No.
Florida Canal (B)	24 CFS	9/29/1888	11/8/1923	CA1751
Florida Canal (B)	16 CFS	3/9/1893	11/8/1923	CA1751
Florida Canal (B)	970 AF	5/29/1911	11/8/1923	CA1751
Florida Canal (C)	31 CFS	3/13/1907	11/8/1923	B-1751
Florida Canal (C)	40 CFS	3/13/1907	11/8/1923	CA1751

Project Description:

The purpose of the Project is to repair the diversion structure to maintain historical diversions into the Florida Canal, while reducing sediment and debris entering the headgate. The Company is also interested in improving public safety, enhancing the natural stream corridor, and enhancing fish passage and connectivity. The following alternatives were analyzed:

Alternative 1 - No Action: This alternative would require more regular monitoring and ongoing emergency repairs to the diversion structure. In the event of a catastrophic failure, the irrigation water supply for 8,000 acres would be interrupted, causing a significant impact to the local economy.

Alternative 2 - Repair Existing Structure: This alternative would involve buttressing the existing structure and constructing a new diversion structure immediately downstream of the existing

structure. While the Company would be able to maintain historic diversions, the dangers of the low head dam would remain, and it would continue to function as a fish barrier. The total project cost for this alternative is estimated to be \$700,000. Selecting this option would make it ineligible for the grants the Company has already, or is attempting, to secure.

Selected Alternative 3 - Replace the Existing Structure: This alternative will construct a combination of Newbury riffles and cross vane structures downstream of the existing diversion structure. Newbury riffles create a series of riffle runs and step-pools acting in a similar fashion to a fish ladder; however, they require more stream length to accomplish this. Cross vane structures can be installed closer together than Newbury riffles because they focus stream flows to the center of the channel with a small drop, but can still facilitate fish passage. This combination of riffles and structures provides a safer recreational environment, promotes fish passage while meeting the structural footprint requirements of the landowner, and is aesthetically pleasing. The total cost for this alternative is estimated to be \$1,200,000 as shown in Table 2. While this alternative is the most expensive, it meets the objectives of the project while providing multi-beneficial outcomes.

TABLE 2: ESTIMATED PROJECT COST

Task	Total
Engineering Design	\$60,000
Reclamation Plan Development and Post Construction Monitoring	\$41,000
Bidding and Construction Administration	\$92,000
Environmental	\$75,000
Construction	\$711,000
Contingency (23%)	\$221,000
TOTAL	\$1,200,000

Permitting: The Company's engineer expects the project will not require a 404 permit due to agricultural water use exemptions. In addition, while the project is not required to obtain a permit under the Endangered Species Act for the New Mexico meadow jumping mouse, the Company and its engineer are coordinating with the U.S. Fish and Wildlife Service to develop Best Management Practices to avoid any potential for impact. The Company will need to obtain a floodplain development permit from the County. The selected contractor will need to obtain a construction dewatering permit and construction stormwater discharge permit prior to construction. The Company is also in the final stages of negotiations with the landowner to obtain an easement for the Project. In lieu of requesting compensation, the landowner requested a reclamation plan and monitoring.

Schedule: Final design is planned for early 2022 with construction expected to occur in late 2022 through early 2023. Post construction reclamation and performance monitoring is expected to continue in 2023 and 2024.

Water Supply Reserve Fund

Applicant & Grantee: Florida Consolidated Ditch Company
Water Activity Name: Florida Canal Diversion Structure Replacement, Phase 2
Water Activity Purpose: Agricultural/E&R-Implementation
County: La Plata
Drainage Basin: Southwest
Water Source: Florida River

At the July 2020 Southwest Basin Roundtable meeting, the Roundtable recommended approval of the Florida Canal Diversion Structure Replacement, Phase 2 application request for the following Basin and Statewide Funds:

Amount Requested/Source of Funds: \$25,000 Southwest Basin Account
\$250,000 Statewide Account
\$275,000 Total Request

Matching Funds: Basin Fund Match = \$25,000 = 10% of statewide grant request (meets 10% min);
Non-Statewide Fund Match: \$950,000 = 380% of statewide grant request (meets 50% min);
Applicant & 3rd party match: \$925,000 = 370% of statewide grant request (meets 10% min)

Discussion: This project supports both the agricultural, and environmental & recreation objectives of the Water Plan. The Project is falls under IPP 4-MB of the Southwest Basin's Implementation Plan. It also meets a Measurable Goal or Outcome of the Southwest Basins BIP to maintain Agricultural Water Needs, Meet Environmental Water Needs, and Comply with Colorado River Compact and Manage Risk.

Issues/Additional Needs: 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: This activity has undergone review and staff has determined it satisfies the Evaluation Criteria outlined in Colorado's Water Plan, Section 9.4. Please refer to Basin Roundtable Chair's Recommendation Letter and the Application for a detailed response.

Funding Source	Cash	In-kind	Total	Status
CWCB Water Project Loan	\$750,000	\$0	\$750,000	
Colorado Water Plan Grants (2018)	\$175,000	\$0	\$175,000	Secured
Sub-total	\$925,000	\$0	\$925,000	
WSRF Southwest Account	\$25,000	\$0	\$25,000	
WSRF Statewide Account	\$250,000	\$0	\$250,000	
Total Project Costs	\$1,200,000	\$0	\$1,200,000	

CWCB Loan Program

Financial Analysis:

Table 3 provides a summary of the Project's financial aspects. The Company qualifies for a blended interest rate of 1.30% for a 30-year term (Ownership: 94% Agricultural, 6% Mid Municipal, <1% Commercial) per CWCB Financial Policy #7 (Lending Rate Determination.)

TABLE 3: FINANCIAL SUMMARY

Total Project Cost	\$1,200,000
Water Plan Grants Secured (Agriculture and Environmental and Recreation)	\$175,000
Water Supply Reserve Fund grant	\$275,000
CWCB Loan Amount	\$750,000
CWCB Loan Amount (Including 1% Service Fee)	\$757,500
CWCB Annual Loan Payment	\$30,655
CWCB Annual Loan Obligation (1 st Ten Years)	\$33,721
Number of Shares (Class B, Class B deeded, and Class C) ⁽¹⁾	3,200
Annual Loan Obligation per Share	\$11
Current Total Assessment per Share	\$110

(1) The Company anticipates that all 6,200 shareholders will be assessed to pay back the loan since all shareholders will benefit; however, since this will be decided by a vote of shareholders in November, only the Florida Canal water rights shareholders are shown.

Loan/Grant Payment: The District plans to apply for a Water Plan Grant in December 2020. If the grant is approved, it will go toward the Project costs and reduce the loan amount needed to complete this Project.

Creditworthiness: The Company has one existing loan with CWCB not to exceed \$1,085,750 approved by the Board in May 2017 for the Hess Lateral Improvement Project. No disbursements have been made from this loan; however, the annual loan obligation is estimated to be \$51,871. The Company has no other debt.

TABLE 4: FINANCIAL RATIOS

Financial Ratio	Prior Years	Future w/ Projects ¹
Operating Ratio (revenues/expenses) <div>weak: <100% - average: 100% - 120% - strong: >120%</div>	102% (average) \$490K/\$481K	100% (average) \$567K/\$567K
Debt Service Coverage Ratio (revenues-expenses)/debt service <div>weak: <100% - average: 100% - 120% - strong: >120%</div>	N/A	100% (average) \$567K-\$481K \$85.6.0K
Cash Reserves to Current Expenses <div>weak: <50% - average: 50% - 100% - strong: >100%</div>	18% (weak) \$84.4K/\$481K	15% (weak) \$84.4K/\$567K
Annual Operating Cost per Acre-Foot (43,000 AF) ² <div>weak: >\$20 - average: \$10 - \$20 - strong: <\$10</div>	\$11 (average) \$481K/43.0K AF	\$13 (average) \$567K/43.0K AF

(1) Costs associated with the Hess Lateral loan are included in the Future w/ Projects ratios but not considered in the Prior Years Ratios as they have not withdrawn any loan funds to date.

(2) Annual Operating Cost per Acre-Foot is based on the diversions by the Company as a whole.

Collateral: Security for this loan will be a pledge of assessment revenues backed by a rate covenant and the Project itself (Florida Canal diversion structure). This security is in compliance with the CWCB Financial Policy #5 (Collateral).

cc: Justin Catalano, Manager, Florida Consolidated Ditch Company
Jennifer Mele, Colorado Attorney General's Office

Attachment: Water Project Loan Program - Project Data Sheet

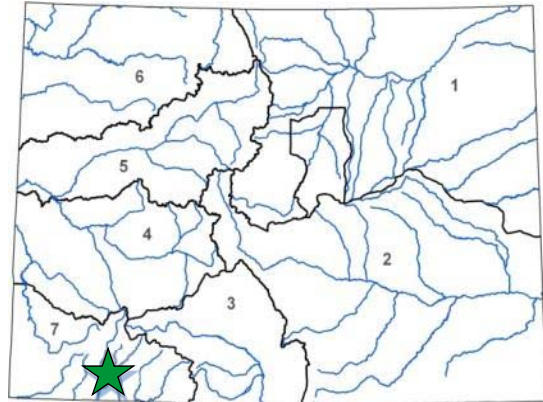


Florida Canal Diversion Replacement

Florida Consolidated Ditch Company

September 2020 Board Meeting

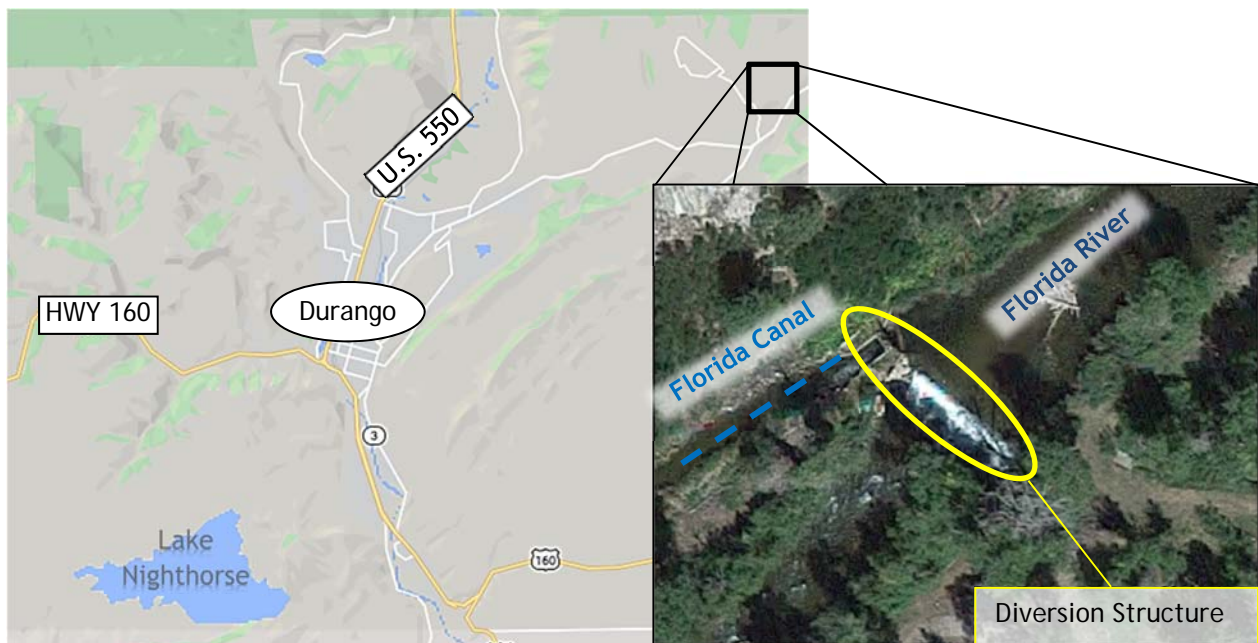
L O A N D E T A I L S	
<i>Project Cost:</i>	\$1,200,000
<i>CWCB Loan (with 1% Service Fee):</i>	\$757,500
<i>Loan Term and Interest Rate:</i>	30 years @ 1.30%
<i>Funding Source:</i>	Severance Tax PBF & WSRF & WPG
B O R R O W E R T Y P E	
<i>Agriculture</i>	<i>Municipal</i>
94%	0% Low - 6% Mid - 0% High
	<1%
P R O J E C T D E T A I L S	
<i>Project Type:</i>	Diversion Structure Replacement
<i>Average Annual Diversions:</i>	10,254 AF



The Company is a non-profit mutual ditch company established in 2014 out of the four original Florida Mesa canal companies. It owns and operates both the Florida Farmers Ditch and the Florida Canal, serving 293 shareholders and supporting approximately 16,000 acres of primarily pasture grass and hay production. The Florida Canal has pre-compact water rights totaling 80 cfs.

L O C A T I O N	
<i>County:</i>	La Plata
<i>Water Source:</i>	Florida River
<i>Drainage Basin:</i>	San Juan/Dolores
<i>Division:</i>	7
<i>District:</i>	30

The existing diversion structure was constructed around the turn of the century, and currently diverts both natural streamflow and Lemon Reservoir storage water to shareholders and Project Water Users. In 2017, the timber face of the structure began to fail after a release from Lemon Reservoir and was temporarily repaired. Since then the Company has pursued a long-term solution that incorporates multi-beneficial outcomes, including removal of a dangerous low head dam and incorporation of in-stream fish passage components. Current funding for the Project will come from the CWCB loan, \$275,000 in requested WSRF grant funds, and \$175,000 in previously approved Water Plan grant funds. The Company also plans to request an additional Water Plan grant in March and a Southwestern Water Conservation District grant in November to reduce the loan to 50% of project costs. Construction is expected to begin in the fall of 2022.



SOUTHWEST BASINS ROUNDTABLE

July 24, 2020

Mr. Craig Godbout
Water Supply Planning Section
Colorado Water Conservation Board
1580 Logan Street, Suite 600
Denver, Colorado 80203

RE: Florida Consolidated Ditch Company
WSRF Grant Request

Dear Mr. Godbout,

The Southwest Basins Roundtable approved funding of \$25,000 from the Southwest Basins Roundtable account for the Florida Consolidated Ditch Company's Florida Canal Diversion Structure Rehabilitation Project, Phase 2. In addition, we are recommending that the Colorado Water Conservation Board approve their request for \$250,000 from the Statewide account. This application was considered fully and approved by the Southwest Basins Roundtable at the July 23, 2020 meeting. There was a quorum of members present at the meeting.

The replacement of the Florida Canal Diversion Structure is a critical project for this basin by replacing an aging diversion structure that has a history of failures resulting in an inability to divert flows. This project will protect pre-Compact water rights while providing improved fish passage and connectivity, enhance the natural corridor, and promote safety.

The proposed project falls under IPP 4-MB of the Southwest Basins Implementation Plan. It also meets a Measurable Goal or Outcome of the Southwest Basins BIP to Maintain Agricultural Water Needs, Meet Environmental Water Needs and Comply with Colorado River Compact and Manage Risk.

The completed Grant Application will be forwarded directly to you by the applicant. Please contact the applicant directly or me at 970-563-0320, etolen@laplawd.org, if you have questions or wish to discuss this application in more detail.

Sincerely,



Edward Tolen
Southwest Basins Roundtable Chair

C/O La Plata Archuleta Water District
PO Box 1377
Ignacio, Colorado 81137



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 recommended for approval 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 WSRF Grant Program Manager (for all Roundtables):

Craig Godbout
craig.godbout@state.co.us
303-866-3441 x3210 (office)
303-547-8061 (cell)

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⁾
X	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.

Last Update: July 31, 2018

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:	September 2020
Desired Notice to Proceed Date:	December 2020

Water Activity Summary		
Name of Applicant	Florida Consolidated Ditch Company	
Name of Water Activity	Florida Canal Diversion Structure Rehabilitation Project: Phase 2	
Approving Roundtable(s)	Basin Account Request(s) ⁽¹⁾	
Southwest Basin Roundtable	\$25,000 (Recommended for Approval)	
Basin Account Request Subtotal	\$25,000	
Statewide Account Request ⁽¹⁾	\$250,000	
Total WSRF Funds Requested (Basin & Statewide)	\$275,000	
Total Project Costs	Phase 2: \$1,200,000	

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

Last Update: July 31, 2018

Grantee and Applicant Information	
Name of Grantee(s)	Florida Consolidated Ditch Company
Mailing Address	P.O. Box 2138, Durango, CO 81301
FEIN	94-0204321
Grantee's Organization Contact ⁽¹⁾	Roger Cole
Position/Title	President
Email	floridaditch@gmail.com
Phone	(970) 749-4675
Grant Management Contact ⁽²⁾	Justin Catalano
Position/Title	Manager
Email	floridaditch@gmail.com
Phone	(970) 749-9800
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).
<p>The Florida Consolidated Ditch Company (FCDC) is composed of the Florida Farmers Ditch Company, the Florida Canal Company, the Florida Enlargement Canal Company, and the Florida Co-Operative Ditch Company. The FCDC is a mutual ditch company that provides water to 329 shareholders serving approximately 15,500 acres of irrigated Agriculture through the Florida Farmers Ditch, the Florida Canal, and the Florida Co-operative Ditch. Additionally, the FCDC provides water to Pastorius Reservoir, a State Wildlife Area. In total, the FCDC operates 86.5 miles of canals, ditches and laterals, and delivers approximately 43,250 acre-feet of water per year.</p>

Last Update: July 31, 2018

Type of Eligible Entity (check one)	
<input type="checkbox"/>	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.
<input type="checkbox"/>	Public (Districts): authorities, Title 32/special districts (conservancy, conservation, and irrigation districts), and water activity enterprises
<input checked="" type="checkbox"/>	Private Incorporated: mutual ditch companies, homeowners' associations, corporations
<input type="checkbox"/>	Private Individuals, Partnerships, and Sole Proprietors: are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
<input type="checkbox"/>	Non-governmental organizations: broadly, any organization that is not part of the government
<input type="checkbox"/>	Covered Entity: as defined in Section 37-60-126 Colorado Revised Statutes

Type of Water Activity (check one)	
<input type="checkbox"/>	Study
<input checked="" type="checkbox"/>	Implementation

Category of Water Activity (check all that apply)		
<input checked="" type="checkbox"/>	Nonconsumptive (Environmental)	
<input checked="" type="checkbox"/>	Nonconsumptive (Recreational)	
<input checked="" type="checkbox"/>	Agricultural	
<input type="checkbox"/>	Municipal/Industrial	
<input type="checkbox"/>	Needs Assessment	
<input type="checkbox"/>	Education & Outreach	
<input type="checkbox"/>	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	La Plata County
Latitude	37.312869
Longitude	-107.772065

Last Update: July 31, 2018

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.

Phase 2 of the Florida Canal Rehabilitation Project (the Project) includes the final engineering design, environmental, services during bidding, construction, and engineering services during construction for repairs to the Florida Canal Diversion Structure (Diversion Structure). Phase 1 of the Project, consisting of preliminary design concepts and development of a CWCB loan feasibility study is complete, and the Florida Consolidated Ditch Company (FCDC) is ready to secure additional funding for Phase 2 construction of the Project.

The Diversion Structure delivers pre-Compact irrigation water rights to the Florida Canal headgate for irrigation of approximately 6,400 acres on the Florida Mesa. The current Diversion Structure is a low head dam that impedes upstream fish and aquatic organism passage. Phase 1 of the project explored conceptual design alternatives to incorporate multi-purpose components into the rehabilitation of the Diversion Structure including:

- Provide a more reliable Diversion Structure to protect pre-compact water rights decreed for irrigation.
- Reduce drowning hazard potential and increase river safety.
- Provide a more reliable source of water for Pastorius Reservoir, a CPW State Wildlife Area.
- Enhance the aquatic habitat in the natural stream corridor by promoting fish passage and aquatic connectivity.
- Reduce the amount of sediment and debris entering the canal to reduce operations and maintenance costs and disturbances to the river from these activities.

The Project loan feasibility study estimates the cost for the FCDC to repair and replace the existing diversion structure in-kind is \$700,000. The total cost of the loan feasibility study's preferred Project alternative, to meet the multipurpose goals of the Project, is \$1,200,000. The estimated additional cost of rehabilitating the diversion structure to meet the multi-purpose goals of increased structure safety and instream habitat enhancement is approximately \$500,000 (see attached Table 1). The FCDC is applying for additional WSRF grant funding to help cover the cost of these additional benefits. The WSRF funding request is to help fund construction of the preferred alternative to meet the multi-purpose objectives of Phase 1.

The Grantee is also requesting CWCB support for a request of an additional \$125,000 in grant funding to support a 50/50 grant/loan mix to fully fund the Project (see Table 1). CWCB staff recently recommended the FCDC make this additional grant funding request to the Colorado's Water Plan (CWP) Grants program. The FCDC is currently working with CWCB staff to determine which CWP Grant pool(s) to make the request from. The FCDC plans to submit the loan application to CWCB for review and approval at CWCB's September 2020 Board meeting.

Last Update: July 31, 2018

Measurable Results		
To catalog measurable results achieved with WSRF funds please provide any of the following values.		
	New Storage Created (acre-feet)	
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive	
	Existing Storage Preserved or Enhanced (acre-feet)	
60,720	Length of Stream Restored or Protected (linear feet)	
	Efficiency Savings (indicate acre-feet/year OR dollars/year)	
48.8	Area of Restored or Preserved Habitat (acres)	
	Length of Pipe/Canal Built or Improved (linear feet)	
12,284	Other	Explain: (acre-feet) average annual irrigation water diverted by Florida Canal.

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> <p>Goals of the Southwest Basin Roundtable Basin Implementation Plan (BIP) that are in line with the Florida Canal Diversion Structure Rehabilitation Project include the following:</p> <ol style="list-style-type: none"> 1. Balance all needs and reduce conflict: Supporting specific and unique new IPPs including, but not limited to environmental, agricultural, and compact compliance needs (p.11 & 12, BIP). 2. Pursue a high success rate for identified specific, unique, and multi-purpose IPPs to meet identified gaps and to address all water needs and values (p.12, BIP). 3. Meet recreational and environmental water needs (p.11, BIP). 4. Maintain watershed health by protecting and/or restoring watersheds that could affect critical infrastructure and/or environmental and recreational areas (p.12, BIP). 5. Maintain agriculture water needs: Implement efficiency measures to maximize beneficial use and production – Implement projects in order to help preserve agriculture and open space values, and to help address municipal, environmental, recreational, and industrial needs...Implement strategies that encourage continued agricultural use and discourage permanent dry-up of agricultural lands (p.11 & 13, BIP). 6. Plan and preserve water supply options for all existing and new uses and values. Promote dialogue, foster cooperation and resolve conflict among water interests in

Last Update: July 31, 2018

Water Activity Justification

every basin and between basins for the purpose of implementing solutions to Southwest Colorado and the entire state of Colorado's water supply challenges (p.11 & 18, BIP).

7. Protect, maintain, monitor and improve the condition and natural function of streams, lakes, wetlands, and riparian areas to promote self-sustaining fisheries, and to support native species and functional habitat in the long term, and adapt to changing conditions (p.16, BIP).
8. Maintain, protect and enhance recreational values and economic values to local and statewide economies derived from recreational water uses, such as fishing and boating, among others (p.15, BIP).
9. Comply with Colorado River Compact and manage risk: Preserve Southwest Basin's ability to develop Colorado River compact entitlement to meet our water supply gaps, and protect 100% of pre-compact water rights in the Southwest Basin Area (p.11 & 18, BIP).

Several subcategories identified in the Statewide Water Supply Initiative 2010 (SWSI) that are in line with the Florida Canal Diversion Structure Rehabilitation Project:

1. Special Value Waters – CWCB ISF Water Rights (p.258, Appendix C, SWSI).
2. The Florida River is mapped in the category of having 2-3 environmental and recreational subcategory uses in SWSI 2010 (p. 260, Appendix C, SWSI).
3. Meet agricultural demands (p.ES-28, SWSI).
4. Optimize existing and future water supplies by: maximizing use of existing and new in-basin supplies (p.ES-28, SWSI).
5. Promote cost-effectiveness by: providing viable financing mechanisms, including local, state, and federal funding/financing (p.ES-28, SWSI).
6. Protect cultural values by maintaining open space (p.ES-28, SWSI).
7. Provide operational flexibility and coordinated infrastructure (p.ES-28, SWSI).
8. Comply with all applicable laws and regulations, meet all applicable compact obligations, and protect water rights including the right of water right owners to market their water, while recognizing some institutional changes may be needed to implement certain strategies (p.ES-28, SWSI).

Goals of the Colorado Water Plan (CWP) that are in line with the Florida Canal Diversion Structure Rehabilitation Project:

1. Colorado's Water Plan promotes statewide cooperation for water supply planning through protecting Colorado's ability to fully develop compact entitlements...Colorado will focus planning efforts on maintaining healthy systems and avoiding a Colorado River Compact deficit, rather than focusing on its response to compact curtailment (p.8-3, CWP).
2. Encourage multi-partner, multipurpose, cooperative projects through financial incentives and technical support (p.8-3, CWP).

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Water Activity Justification

3. Project proponents that demonstrate a commitment to collaboration through involving multiple participants and consulting with a broad set of local stakeholders and local governments before or early in the regulatory process (p. 9-43 & 9-44, CWP).
4. Project proponents demonstrate sustainability through avoiding adverse effects to environmental and recreational interests, mitigating economic and social impacts on agricultural and rural communities, and maximizing the use of water resources through firming the yield of existing supplies, and improving or modernizing aging infrastructure (p.9-44, CWP).
5. Maintain agricultural viability, which will maintain Colorado's agricultural productivity, support rural economies, and food security through grants, loans, and technical support to update and improve Colorado's aging infrastructure for long-term maintenance needs, especially where improvements provide multiple benefits (p.10-10, CWP).
6. Enhance environmental and recreational economic values through near-term projects and methods that support economically important water-based recreation, consider the net environmental benefit, and evaluate the water quality impacts of water quantity management approaches (p.10-12, CWP).

The Florida Canal Diversion Structure Rehabilitation Project (Project) is in line with the goals and findings listed above in the BIP, SWSI and CWP:

- The Project is a specific and unique multi-purpose project (new IPP) that will address multiple consumptive and non-consumptive needs on the Florida Mesa and within the Florida River watershed. The Project will protect pre-Compact water rights entitlement by rehabilitating the Diversion Structure allowing for reliable delivery of pre-Compact water rights through the Florida Canal.
- The Project will promote sustainability and watershed health through improving aging infrastructure that maintains open space and provides recreational opportunities throughout La Plata County. More specifically, the Project increase the reliability of water supply to Pastorius Reservoir, which is an important State Wildlife Area with recreational opportunities including fishing, non-motorized boating, hunting, hiking, and wildlife viewing. Rehabilitation of the Diversion Structure firms up agricultural irrigation supply and promotes agricultural viability and productivity, as well as providing increased drought resistance for the Florida Mesa during dry years.
- Non-consumptive environmental and recreational needs will be addressed through restoration of the Diversion Structure. The Project will replace the existing low head dam with a structure that is safer for river users. The Florida River is an important fishery in the Southwest Basin as the CWCB holds two ISF water rights that extend from below Lemon Dam downstream to the Confluence with the Animas River. The reach where the Project is located is identified as special value waters in SWSI because of the CWCB ISF water rights. The Project will provide connectivity for a reach of The Florida River that is approximately 11.5 miles by providing a fish passage as part of the project design and implementation. Pastorius Reservoir is a State Wildlife Area that relies on water delivered from the Florida River, and is an important state recreation area.
- Multiple entities and stakeholders were involved during Phase 1 to collaborate efforts

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Water Activity Justification

and provide technical support. These stakeholders will continue with their involvement including The Nature Conservancy, Trout Unlimited, Colorado Parks and Wildlife, the Florida Water Conservancy District, and the Florida Consolidated Ditch Company (FCDC) (see Exhibit A, Table 2).

- The FCDC is planning on taking out a CWCB loan to fund the project. The Project will promote cost effectiveness by providing viable financing mechanisms, including private, local, and state funding and financing.

IPPs relevant to the Project:

- Ditch Company Improvement and Efficiency Projects (Multi-Basin IPP No. 4-MB)
- Florida Water Conservancy District – Irrigation system efficiency improvements by the Florida Mesa
- Ditch Companies that would firm up agricultural delivery and provide additional water supply for those other uses in Lemon Reservoir through the reduction of losses in the delivery system (IPP No. 4-A).
- Florida Consolidated Ditch Companies: Florida Canal Diversion Structure and headgate repair (IPP No. 36-A).

(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 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.

Contributing Entity	Amount and Form of Match (note cash or in-kind)
Florida Consolidated Ditch Company	\$600,000 (CWCB cash loan)
Southwestern Water Conservation District (SWCD)	\$25,000 (cash)
Total Match	\$625,000
If you requested a Waiver to the Basin Account matching requirements, indicate the percentage you wish waived.	

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 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.

Contributing Entity	Amount and Form of Match (note cash or in-kind):
Southwestern Basin Roundtable	\$25,000 (cash)
Florida Consolidated Ditch Company	\$600,000 (CWCB cash loan)

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Matching Requirements: Statewide Account Requests	
Southwestern Water Conservation District (SWCD)	\$25,000 (cash)
Total Match	\$650,000
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> <ul style="list-style-type: none"> Florida Project Water Conservation and Management Plan. Florida Canal Diversion Structure Rehabilitation Project – CWCB Loan Feasibility Study

Previous CWCB Grants
<p>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</p> <ul style="list-style-type: none"> 1) Florida Consolidated Ditch Company, 2) Ditch Loss, Hydropower, and Monitoring Improvement Program, 3) Southwest Basin Roundtable, 4) March 17, 2009. 1) Florida Consolidated Ditch Company, 2) Canal Seepage Reduction Project, 3) Southwest Basin Roundtable, 4) November 17, 2009. 1) Florida Consolidated Ditch Company, 2) Canal Seepage Reduction Project, 3) Southwest Basin Roundtable, 4) September 15, 2010. 1) Florida Consolidated Ditch Company, 2) Hess Lateral Improvement Project 3) Southwest Basin Roundtable 4). September 17, 2015. 1) Florida Consolidated Ditch Company, 2) Florida Canal Diversion Structure Rehabilitation Project: Phase 1, 3) Southwest Basin Roundtable, 4) March 22, 2018 1) Florida Consolidated Ditch Company, 2) Florida Canal Diversion Structure Rehabilitation Project: Phase 2, 3) San Juan/Dolores, 4) March 22, 2018

Last Update: July 31, 2018

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 to FCDC

Last Update: March 17, 2020

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Colorado Water Conservation Board	
Water Supply Reserve Fund	
<u>Exhibit A - Statement of Work</u>	
Date:	July 31, 2020
Water Activity Name:	Florida Canal Rehabilitation Project Phase 2
Grant Recipient:	Florida Consolidated Ditch Company
Funding Source:	CWCB Water Supply Reserve Fund
<p>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> <p>Phase 2 of the Florida Canal Rehabilitation Project (the Project) includes the final engineering design, environmental, services during bidding, construction, and engineering services during construction for repairs to the Florida Canal Diversion Structure (Diversion Structure). Phase 1 of the Project, consisting of preliminary design concepts and development of a CWCB loan feasibility study is complete, and the Florida Consolidated Ditch Company (FCDC) is ready to secure additional funding for Phase 2 construction of the Project.</p> <p>The Diversion Structure delivers pre-Compact irrigation water rights to the Florida Canal headgate for irrigation of approximately 6,400 acres on the Florida Mesa. The current Diversion Structure is a low head dam that impedes upstream fish and aquatic organism passage. Phase 1 of the project explored conceptual design alternatives to incorporate multi-purpose components into the rehabilitation of the Diversion Structure including:</p> <ul style="list-style-type: none"> • Provide a more reliable Diversion Structure to protect pre-compact water rights decreed for irrigation. • Reduce drowning hazard potential and increase river safety. • Provide a more reliable source of water for Pastorius Reservoir, a CPW State Wildlife Area. • Enhance the aquatic habitat in the natural stream corridor by promoting fish passage and aquatic connectivity. <p>The Project loan feasibility study estimates the cost for the FCDC to repair and replace the existing diversion structure in-kind is \$700,000. The total cost of the loan feasibility study's preferred Project alternative, to meet the multipurpose goals of the Project, is \$1,200,000. It is estimated that the additional cost of rehabilitating the diversion structure to meet the multi-purpose goals of increased structure safety and instream habitat enhancement is approximately \$500,000 (see attached Table 1). The FCDC is applying for additional WSRF grant funding to help cover the cost of these additional benefits. The WSRF funding request is to help fund construction of the preferred alternative to meet the multi-purpose objectives of Phase 1.</p> <p>The Grantee is also requesting CWCB support for a request of an additional \$125,000 in grant funding to support a 50/50 grant/loan mix to fully fund the Project (see Table 1). CWCB staff recently recommended the FCDC make this additional grant funding request to the Colorado's Water Plan (CWP) Grants program. The FCDC is currently working with CWCB staff to determine which CWP Grant pool(s) to make the request from. The FCDC plans to submit the loan application to CWCB for review and approval at CWCB's September 2020 Board meeting.</p>	

Last Update: March 17, 2020

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<p>Objectives: (List the objectives of the project. (PLEASE DEFINE ACRONYMS)).</p>
<p>Primary project objectives for Phase 2 of the project include:</p> <ul style="list-style-type: none"> • Provide more permanent long-term repair to the Florida Canal Diversion Structure. • Provide a more reliable Diversion Structure to protect pre-compact water rights decreed for irrigation, and firm agricultural irrigation supply. • Provide a more reliable source of water for Pastorius Reservoir, a Colorado Parks and Wildlife (CPW) State Wildlife Area. • Promote river safety while enhancing the aquatic habitat in the natural stream corridor by promoting fish passage and aquatic connectivity.

Tasks
<p>Provide a detailed description of each task using the following format: (PLEASE DEFINE ACRONYMS)</p>
<p><u>Task 1 - Engineering Design and Environmental Services</u></p>
<p>Description of Task: Engineering Design and Environmental Services</p>
<p>Prepare Design Drawings, Contract Documents, Technical Specifications, and Reclamation Plan suitable to solicit bids from qualified general Contractors.</p> <p>Provide assistance with dewatering and stormwater permitting for the project. Environmental work associated with impacts to New Mexico Jumping Mouse, implementation of best management practices for Mouse avoidance, and monitoring before, during and after the project.</p>
<p>Method/Procedure:</p>
<p>Prepare 40 percent and 80 percent level design of the diversion facility. Incorporate comments from CWCB and CPW staff at the 40 percent level and 80 percent level. Prepare issued for bid level design drawings, reclamation plan, Contract Documents and Technical Specifications.</p> <p>Other items include final hydraulic modeling for La Plata County Floodplain submittal, final velocity profiles for fish passage review, and diversion structure water delivery over the design flow range. Coordination with CPW, The Nature Conservancy, landowner and the CWCB at the 40 percent and 80 percent design level.</p> <p>Coordination and submittals of design related information for FEMA permitting and other regulatory agencies as identified.</p> <p>Hire field biologist to assist with meeting requirements for endangered species act during final design, bidding, and construction of the project.</p>
<p>Grantee Deliverable: (Describe the deliverable the grantee expects from this task)</p>
<p>Sets of drawings at 40 percent and 80 percent level for final review and comment. Development of issued for bid level design drawings, reclamation plan, Contract Documents and Technical Specifications.</p>



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Tasks
Completed regulatory approvals / submittals as identified.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Sets of drawings at 40 percent and 80 percent level for final review and comment. Development of issued for bid level design drawings, reclamation plan, Contract Documents and Technical Specifications.

Tasks
<u>Task 2 - Engineering Services During Bidding</u>
Description of Task: Engineering Services During Bidding
Engineering services during bidding including a pre-bid meeting, answering contractor questions, issuing potential addendums, and holding a public bid opening.
Method/Procedure:
Develop and publish bid advertisement in online format to solicit bids from qualified Contractors. Hold a pre-bid meeting at the project site with bidders. Provide written responses to Contractor questions during the bidding period. Issue addendum documentation as necessary. Hold a public bid opening to announce bids received for the project.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
Pre-bid meeting minutes, documentation answering contractor questions, addendum documentation, and bidding documents from qualified local contractors.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Bid tab summary of all Contractor Bids received for the Project.

Tasks
<u>Task 3 – Construction, Engineering Services During Construction, and Post-Construction Reclamation Monitoring</u>
Description of Task: Active construction, engineering services during construction, and post-construction reclamation monitoring.
Construction of the Diversion Structure Rehabilitation Project and geotechnical testing services.
Engineering services during construction include regular onsite observation, coordination of weekly progress meetings, answering contractor requests for information, and reviewing Contractor Pay Applications.
The FCDC and Engineer to monitor post construction condition of stream restoration and reclamation plan in coordination with Landowner.



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Tasks
Method/Procedure:
Contractor to construct the Diversion Structure Rehabilitation Project in general conformance with the Drawings, Contract Documents and Technical Specifications.
Engineer to perform onsite observation of contractor progress, responds to Contractor requests for information, develop and distribute weekly progress meeting minutes during construction, review contractor pay application requests.
Post construction Assumes quarterly site visits following reclamation plan installation to review, document, and address issues that arise during the reclamation period. Coordination with Contractor during warranty period to address any issues that arise.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
Weekly construction progress meeting minutes, responses to Contractor requests for information, engineer reviewed Contractor pay applications.
Reclamation plan progress documentation including photographs and site visit notes.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Preparation of final CWCB Report with supporting documentation after substantial completion of the project.

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 <u>excel format</u> . A separate <u>excel formatted</u> 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: <ul style="list-style-type: none">• 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

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Reporting Requirements

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

Parks and Wildlife

Department of Natural Resources

Area 15
151 E 16th Street
Durango, CO 81301
P 970-375-6770 | F 970-382-6672

July 7, 2020

Craig Godbout, Program Manager
Water Supply Reserve Fund
1313 Sherman St.
Room 718
Denver, CO 80203

Re: Florida Canal Diversion Structure Rehabilitation Project; Phase 2

Dear Craig,

Colorado Parks and Wildlife (CPW) would like to express our support for the subject project. The applicant, the Florida Consolidated Ditch Company, is diligently pursuing a rehabilitation project to modernize an aging, diversion structure (the Florida Canal) on the Florida River in La Plata County. The applicant's objective is to provide a multi-purpose project that not only satisfies the original purpose (to provide pre-compact irrigation water to its shareholders), but one that also restores stream connectivity and removes a significant recreational hazard on a natural stream.

The applicant has sought input from CPW throughout the design phase of the project. CPW has appreciated the opportunity to advocate for a design that will restore over 11 miles of connectivity for native fish, salmonids and the aquatic macroinvertebrates that occupy this reach but have long-been fragmented in the watershed due to the significant low-head dam and physical barrier of the current structure. This is a unique opportunity to rebuild an important, senior agricultural diversion structure while also meeting multiple objectives defined by the Southwest Basins Roundtable and the Colorado Water Plan.

The Florida Canal also delivers water to sustain a popular recreational fishery and waterfowl hunting at the Pastorius State Wildlife Area managed by CPW. CPW values the benefits that would accrue to the natural environment of the Florida River, the reliable irrigation and recreational water supply for the residents of La Plata County, the removal of a recreation hazard. We recommend the CWCB and the Southwest Basins Roundtable consider fully funding the proposed project for the important reasons stated.

Thank you for the opportunity to express our support for the project. If you have any questions about the affected fisheries or the benefits of the proposed project on the natural environment, please do not hesitate to contact me.



Sincerely,

MR Thorpe #997

Matt Thorpe
Area Wildlife Manager- Durango

cc: Cory Chick, SW Regional Manager; Mike Preston, Southwest Basins Roundtable Chair

Florida Water Conservancy District

1523 CR 243
Durango, Colorado 81301
970-247-5332

09 JULY 2020

Directors:

Philip Craig, President
Charles McCoy, Vice President
Terry Palmer, Secretary/Treasurer
Gary Zellitti
Walter Hill

Nancy Agro, Attorney

John Ey, Superintendent

Mike Preston
Southwest Basin Roundtable Chair
Dolores Water Conservancy District
P.O. Box 1150
60 S. Cactus
Cortez, CO 81321

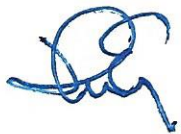
Dear Mr. Preston,

The Florida Water Conservancy District is pleased to offer our support for the Florida Consolidated Ditch Company's Florida Canal Diversion Structure Rehabilitation Project Phase II. The Florida Canal Diversion structure is an important part of the Florida Consolidated Ditch Company's irrigation delivery system and improvements to this aging infrastructure will help preserve longstanding agricultural practices and delivery of pre-Compact water rights in Southwest Colorado.

We recommend the Southwest Basin Roundtable consider funding this important project.

Thank you for your time and consideration.

Sincerely,



John Ey
Superintendent



The Nature Conservancy in Colorado
1109 Oak Drive
Durango, CO 81301

tel (970) 375-0183

nature.org/colorado

July 8, 2020

Chairman Mike Preston
Southwest Basin Roundtable

Dear Mike:

On behalf of The Nature Conservancy, I am pleased to offer our support for the Florida Consolidated Ditch Company's *Florida Canal Diversion Structure Rehabilitation Project: Phase 2 Construction*. The Florida Consolidated Ditch Company has shown strong leadership in crafting a multiple purpose project that includes important agricultural water use, pre-Compact water rights protection, and safety considerations, as well as consideration for environmental and fishery uses (including fishery and recreational uses at the Pastorius Reservoir State Wildlife Area) on the Florida River. We are thrilled to participate in a project that meets so many goals and measurable outcomes of the Southwest Basin Roundtable's Basin Implementation Plan and Colorado's Water Plan. The Nature Conservancy is a committed partner on this project, and we strongly encourage the Southwest Basin Roundtable to fully support the project.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in purple ink that reads "Celene Hawkins". The signature is written in a cursive, flowing style.

Celene Hawkins
Western Colorado Water Project Director



La Plata County
Colorado

Board of County Commissioners

Clyde Church, Chair • Gwen Lachelt, Vice Chair • Julie Westendorff, Commissioner

1101 East 2nd Ave
Durango, CO 81301
(970) 382-6219

July 28, 2020

Mr. Mike Preston
Southwest Basin Roundtable
841 East Second Ave.
Durango, CO 81301

Dear Mr. Preston:

The Board of County Commissioners is pleased to offer our support for the Florida Consolidated Ditch Company's *Florida Canal Diversion Structure Rehabilitation Project Phase II*. The Florida Consolidated Ditch Company has demonstrated strong leadership in crafting a multiple purpose project that includes important agricultural water use and safety considerations, as well as consideration for environmental and fishery uses on the Florida River.

La Plata County recognizes this project as an important opportunity to improve aging infrastructure that will preserve longstanding agricultural practices and protect pre-Compact water rights and open space in La Plata County. In addition, this project will improve connectivity on the Florida River to ensure habitat and recreational use at the Pastorius Reservoir State Wildlife Area and improve irrigation system deliveries.

We recommend the Southwest Basin Roundtable and the Southwest Water Conservation District consider funding this important project.

Thank you for your time and consideration.

Sincerely,

LA PLATA COUNTY
BOARD OF COUNTY COMMISSIONERS

Clyde Church
Chair

Gwen Lachelt
Vice Chair

Julie Westendorff
Commissioner



Wright Water Engineers, Inc.

1666 N. Main Avenue, Suite C
Durango, Colorado 81301
(970) 259-7411 TEL
(970) 259-8758 FAX

www.wrightwater.com
e-mail: pfooster@wrightwater.com

July 31, 2020

Via Email: craig.godbout@state.co.us

Craig Godbout
Program Manager
Colorado Water Conservation Board
Water Supply Planning Section
1313 Sherman Street, Suite 718
Denver CO 80203

Re: Florida Canal Diversion Structure Rehabilitation Project: Phase 2

Dear Craig:

Wright Water Engineers, Inc. (WWE), on behalf of the Florida Consolidated Ditch Company (FCDC), is pleased to provide you with a joint Statewide Water Supply Reserve Fund (WSRF) and Southwest Basin Application for Phase 2 of the Florida Canal Diversion Structure Rehabilitation Project (Project). The Southwest Basin Roundtable approved \$25,000 in funding for the Project at their July 2020 meeting.

Phase 1 of the Project included: development of preliminary conceptual design alternatives, environmental permitting considerations, easement considerations, and completion of a Colorado Water Conservation Board (CWCB) Loan Feasibility Study for project financing of Phase 2.

Phase 2 of the Project includes: engineering design and environmental services, construction of the Diversion Structure rehabilitation, engineering services during construction, and post-construction reclamation and monitoring services.

The enclosed WSRF Application provided in Attachment A, includes a budget and schedule, proposed funding approach table, letters of support, and project photographs. The Southwest Basin Roundtable approval letter is provided in Attachment B for your reference.

The existing Diversion Structure appears to be constructed of concrete piers imbedded across the Florida River with timber boards across the face of those piers to create an instream vertical check structure. The vertical check structure is a low head dam and has created a scour pool at its base. In early 2017, a portion of the timber face of Florida Canal Diversion Structure began to fail (see Photograph 1). Temporary emergency repairs to the Diversion Structure were installed in May 2017 (see Photographs 2 and 3). These emergency repairs are intended to be temporary, and the Diversion Structure requires a more permanent rehabilitation solution. The diversion structure as currently constructed is a low head dam and restricts the passage of aquatic species and is a drowning hazard.

The purpose of the Florida Canal Diversion Structure Rehabilitation Project Phase 2 is to provide more permanent long-term repair to the Florida Canal Diversion Structure (Diversion Structure) using a design approach that reduces sediment and debris from entering the canal, promotes safety, enhances the natural stream corridor, and improves fish passage and connectivity.

The water rights in the Florida Canal are Pre-Compact Water Rights as the appropriation dates for the Diversion Structure range from 1888 to 1907 for the construction of the Florida Canal Diversion Structure. The Florida Canal was originally decreed for 80 cfs in Case Nos. CA1751 and B-1751. The Florida Canal and the Florida Farmers Ditch (located downstream) serve approximately 15,500 acres on the Florida Mesa. The Florida Canal serves approximately 6,400 acres of the 15,500 acres served by the FCDC.

The Florida Canal also diverts project water stored and released as part of the Federal Florida Project constructed by the U.S. Bureau of Reclamation (USBR) and operated by the Florida Water Conservancy District (FWCD). Even though the Florida Canal carries both adjudicated and Florida Project Water, based on discussion with the USBR the Diversion Structure is not considered Florida Project infrastructure and MOA funding from USBR is not available for funding this project.

The Florida Canal also diverts water for storage in Pastorius Reservoir, a Colorado Parks and Wildlife (CPW) State Wildlife Area. The applicant has worked closely with CPW on the basis of design and development and selection of the preferred alternative. A letter of support from CPW for Phase 2 of the Project is provided in Attachment A.

WWE and the FCDC coordinated with project stakeholders in addition to CPW including The Nature Conservancy (TNC), and the landowner where the Diversion Structure is located during Phase 1. Through this coordinated effort WWE developed a preferred project alternative as part of the loan feasibility study. The Preferred Project Alternative balances the requests of the landowner with the multi-purpose objectives to provide a safer and more fish friendly structure. Lastly, the applicant has also met with the Colorado Division of Water Resources (CDWR) and no water rights impacts were identified during the meeting.

The Project loan feasibility study completed during Phase 1 of the Project estimates the cost for the FCDC to repair and replace the existing diversion structure in-kind is \$700,000. The total cost of the loan feasibility study's preferred Project alternative, to meet the multipurpose goals of the Project, is \$1,200,000. It is estimated that the additional cost of rehabilitating the diversion structure to meet the multi-purpose goals of increased structure safety and instream habitat enhancement is approximately \$500,000. The FCDC is applying for additional WSRF grant funding to help cover the cost of these additional benefits. The WSRF funding request is to help fund construction of the Preferred Project Alternative to meet the multi-purpose objectives of Phase 1.

In general, proposed funding for Phase 2 of the project includes a \$600,000 loan and \$600,000 of grant funding. The applicant has submitted a loan feasibility study to the CWCB for review at the

September 2020 meeting. The actual loan applied for exceeds \$600,000 in case all the grant funding cannot be secured.

Grant funding approved thus far, but not contracted for equals \$200,000, and is comprised of Southwest Basin Roundtable (\$25,000), and Colorado Water Plan Funding (\$175,000).

Grant funding not yet approved equals of \$400,000 and is comprised of CWCB WSRF Statewide Account (\$250,000), the Southwestern Water Conservation District (SWCD) (\$25,000). CWCB staff recently recommended the FCDC make a grant request for the remaining \$125,000 via the Colorado's Water Plan (CWP) Grants program. The FCDC is currently working with CWCB staff to determine which CWP Grant pool(s) to make the request from. If amenable to the CWCB, the FCDC respectfully asks the CWCB to provide a letter support in this endeavor.

The attached application is for the WSRF Statewide Account request for \$250,000 and approval by the board of the WSRF SW Basin Approval for \$25,000.

Thank you in advance for your consideration of this grant request. If you have any questions, please feel free to call or e-mail me at pfoster@wrightwater.com.

Sincerely,

WRIGHT WATER ENGINEERS, INC.

By 

Peter R. Foster, P.E.
Vice-President

Attachments:

Attachment A - Statewide and SW Basin WSRF Application

Attachment B - SW Basin Approval Letter

Exhibit A - Statement of Work

Exhibit B - Budget and Schedule, Table 1 Project Funding Approach

Exhibit C - Project Location Map, Photographs of Florida Canal Diversion Structure,

Exhibit D - Letters of Support

Table 1
Florida Consolidated Ditch Company
Florida Canal Diversion Structure Rehabilitation Phase 2 Funding Sources and Approach for Preferred Alternative

Description of Services	Engineering, Permitting, and Construction	CWCBC					SWCD	Total Grant Funds	Matching Funds		Total Cash Funds	Total Project Cost
		Colorado Water Plan (to be submitted December 2020)	WSRF		Colorado Water Plan				CWCB Loan / F CDC Cash ⁽⁵⁾			
			WSRF Statewide Account ⁽¹⁾	Southwestern Basin Roundtable (SWBRT) ⁽²⁾	CWP Agricultural Projects ⁽³⁾	CWP Environmental & Recreational Projects ⁽³⁾						
Phase 2 - Final Design, Environmental Services During Bidding, Construction, Engineering Services During Construction	\$1,200,000	Colorado Water Plan Grant Pool(s) to be determined ⁽¹⁾	\$250,000	\$25,000	\$125,000	\$50,000	\$25,000	\$600,000	\$600,000	\$600,000	\$1,200,000	\$1,200,000
% of Total Project Cost =		100%	21%	2%	10%	4%	2%	50%	50%	100%	100%	100%

Notes:

- (1) Currently working with CWCBC staff on Phase 2 Funding Package to determine applicable Grant Pool(s) (Water Storage & Supply Projects; Conservation, Land Use Planning; Engagement & Innovation Activities; Agricultural Projects; Environmental & Recreation Projects)
- (2) Pending Application to SW Basin July of 2020.
- (3) Approved by CWCBC Board but not under contract pending loan approval, loan application proposed to come before CWCBC Board September 2020.
- (4) Pending application to Southwestern Water Conservation District November 2020.
- (5) Pending loan approval from CWCBC September, 2020.

Estimated Total Engineering and Construction Cost for Alternatives Evaluated in Loan

Loan Feasibility Study Alternatives		Total Project Cost
Newbury Rifle and Cross-Vane Structure (Preferred Alternative No. 4)		\$1,200,000
Repair and Replace in Kind (Alternative No. 2)		\$700,000
	Difference	\$500,000

Match Requirement Check for Basin and Statewide WSRF Grant Requests

Project Funding Sources	Amount	Percent of Total Project Budget	Basin Account Match Requirements	Statewide Account Match Requirements	Is Match Requirement Met?
FCDC CWCBC Loan	\$600,000	-	-	-	-
Total Applicant/3rd Party Match for SWBRT WSRF Grant	\$600,000	50%	25%	10%	Yes
SWBRT WSRF Grant Request (cash)	\$25,000	2%	-	10% (cash only)	Yes
Total Match (including SWBRT WSRF Grant Request) for WSRF Statewide Grant Request	\$625,000	52%	-	50%	Yes
Total Project Cost	\$1,200,000	-	-	-	-

Photo 1: Florida Canal Diversion Structure - Pre-Failure

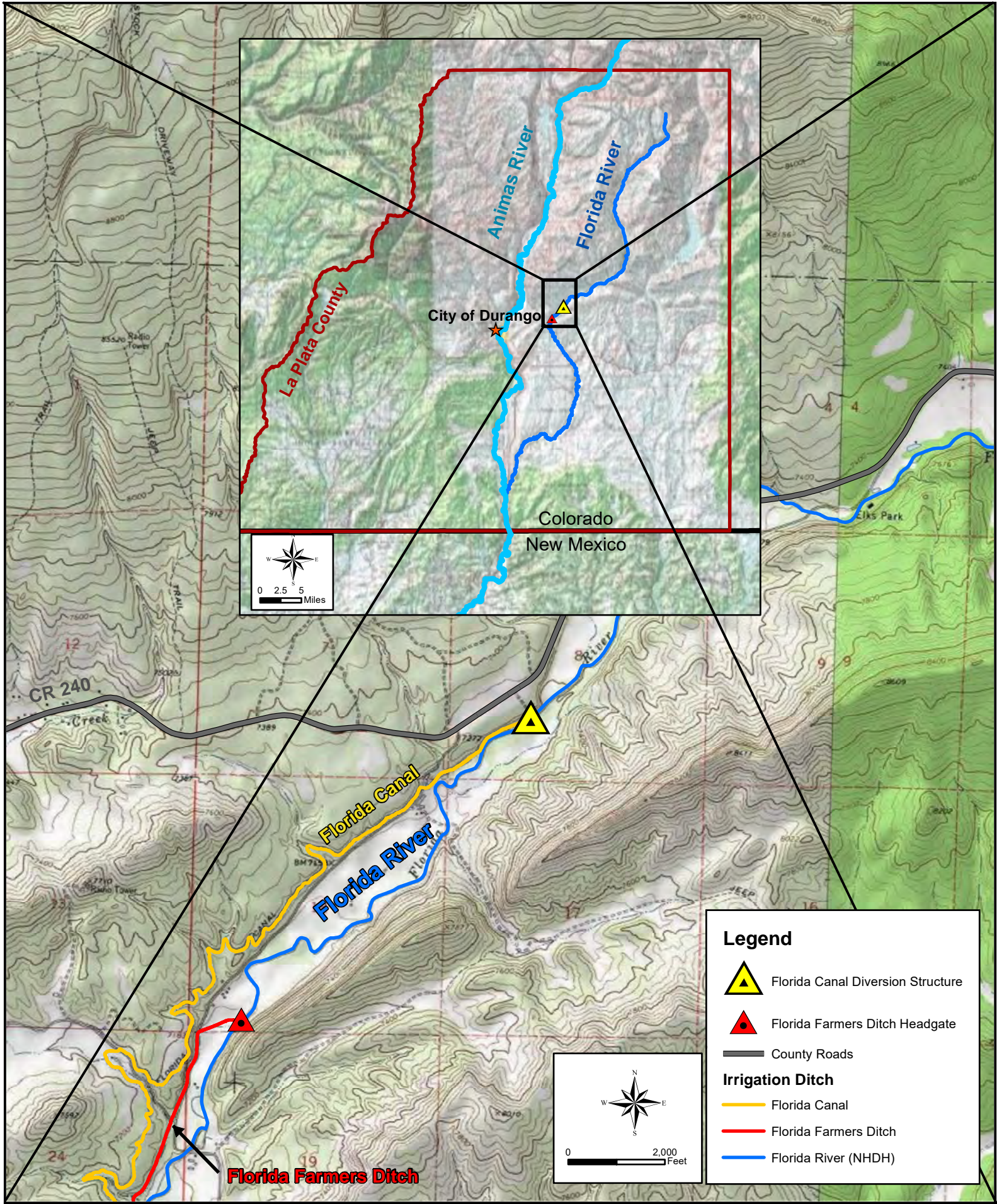


Photo 2: Florida Canal Diversion Structure - Emergency Repair



Photo 3: Florida Canal Diversion Structure - Emergency Repair 2





Document Path: P:\061-110\140 Florida Canal Diversion Dam\05 Mapping\FIorida Canal Diversion Structure - Location Map.mxd