



TOWN OF PAONIA
214 GRAND AVENUE
TUESDAY, SEPTEMBER 17, 2024
SPECIAL TOWN BOARD MEETING AGENDA 6:30 PM
[HTTPS://US02WEB.ZOOM.US/J/83323148562](https://us02web.zoom.us/j/83323148562)
MEETING ID: 833 2314 8562

Roll Call

Approval of Agenda

Actions & Presentations

[Agenda](#) Item #1 Resolution 2024-13 Endorsing WaterSMART Planning and Project Design Grant

[Agenda](#) Item #2 Ordinance 2024-03 Establishing a Finance Purchasing & Procurement Policy

[Agenda](#) Item #3 Resolution 2024-14 Adopting a Purchasing and Procurement Policy Manual

Adjournment

I. RULES OF PROCEDURE

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
 - (1) Town Administrator's Report
 - (2) Public Works Reports
 - (3) Police Report
 - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

II. CONSENT AGENDA

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

III. EXECUTIVE SESSION

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed “in as much detail as possible without compromising the purpose for which the executive session is authorized.” In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

IV. SUBJECT TO AMENDMENT

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.



**TOWN OF PAONIA
BOARD OF TRUSTEES MEETING
STAFF REPORT**

| | |
|------------------------|---|
| AGENDA ITEM: | Agenda Item #1 Resolution 2024-13 Endorsing WaterSMART Planning and Project Design Grant |
| SUBMITTED BY: | Stefen Wynn, Town Administrator/Treasurer |
| DATE: | 9.11.2024 |
| BACKGROUND: | <p>The Town submitted for a Grant in 2023 for the WaterSMART program offered through the United States Bureau of Reclamation. The Grant request was approved for consideration of funding and the Town received a letter explaining the next steps for getting a grant contract which began this Summer. As a final piece of consideration, the USBR requires the Town to complete a Resolution officially endorsing planning and project design for the grant. The Resolution also commits funding up to \$250,000 to complete the planning and project design for deliverables from the grant paperwork. The grant application is entitled, "Watershed and Water System Strategy Plans for Resiliency in the Face of Change."</p> |
| BUDGET: | FY-2025, FY-2026 and FY-2027 up to \$250,000 |
| RECOMMENDATION: | <p>RECOMMENDED MOTION:</p> <p>I Move to approve Resolution 2024-13 Endorsing WaterSMART Planning and Project Design Grant</p> |
| ATTACHMENT: | <p>Attachment A: Resolution 2024-13 Endorsing WaterSMART Planning and Project Design Grant</p> <p>Attachment B: SubmissionPDF-GRANT14002201</p> |

**TOWN OF PAONIA, COLORADO
RESOLUTION NO. 2024-13**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA,
COLORADO, ENDORSING WATERSMART PLANNING AND PROJECT
DESIGN GRANT PROGRAM**

WHEREAS, the United States Bureau of Reclamation is currently offering grant opportunities through the WaterSMART Planning and Project Design Grant Program and

WHEREAS, said WaterSMART Planning and Project Design Grant Program is a cost-shared program emphasizing planning and design projects; and

WHEREAS, the Board of Trustees of the Town of Paonia, Colorado, supports the submission by the Town of Paonia of a grant application for the, “Watershed and Water System Strategy Plans for Resiliency in the Face of Change”, prepared and approved by the Town of Paonia, Colorado to the WaterSMART Planning and Project Design Grant Program; and

WHEREAS, the Town of Paonia, Colorado can provide the amount of matching funds of up to \$250,113 in cash and/or in-kind contributions specified in the grant application’s funding plan; and

WHEREAS, if selected for a WaterSMART Planning and Project Design Grant Program the Town of Paonia, Colorado will work with the United States Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement or grant;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO:

Section 1: The Board approves the submission of the application for the WaterSMART Planning and Project Design Grant Program the District for fiscal year 2025, fiscal year 2026 and fiscal year 2027.

Section 2: In the event grant funding is provided by the United States Bureau of Reclamation, the Board of Trustees authorizes the Town Administrator/Treasurer of the Town of Paonia, Colorado, or his designee to accept the grant and sign any contract for administration of the grant funds and delegate the Town Administrator/Treasurer to act as a fiscal agent for any grant funding received.

Section 3: This resolution shall take effect immediately.

Section 4: The Town Clerk shall certify to the adoption of this resolution and henceforth and thereafter the same shall be in full force and effect.

PASSED AND ADOPTED this 17th Day of September, 2024.

Paige Smith, Mayor

ATTEST:

Samira M. Vetter, Town Clerk

Approved as to form and contents:

Clay Buchner, Town Attorney

Application for Federal Assistance SF-424

* 1. Type of Submission:

- Preapplication
 Application
 Changed/Corrected Application

* 2. Type of Application:

- New
 Continuation
 Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

10/17/2023

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

CO

8. APPLICANT INFORMATION:

* a. Legal Name:

Town of Paonia

* b. Employer/Taxpayer Identification Number (EIN/TIN):

84-6000709

* c. UEI:

KUNEGGXENLZ3

d. Address:

* Street1:

214 Grand Ave.

Street2:

PO Box 460

* City:

Paonia

County/Parish:

Delta

* State:

CO: Colorado

Province:

* Country:

USA: UNITED STATES

* Zip / Postal Code:

81428-6302

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name:

Stefen

Middle Name:

* Last Name:

Wynn

Suffix:

Title:

Town Administrator

Organizational Affiliation:

* Telephone Number:

9705274101

Fax Number:

* Email:

stefenw@townofpaonia.com

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Bureau of Reclamation

11. Catalog of Federal Domestic Assistance Number:

15.507

CFDA Title:

WaterSMART (Sustain and Manage America's Resources for Tomorrow)

*** 12. Funding Opportunity Number:**

R23AS00109

* Title:

WaterSMART Planning and Project Design Grants For FY 2023 and FY 2024

13. Competition Identification Number:

R23AS00109

Title:

WaterSMART Planning and Design Grants

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Watershed and Water System Strategy Plans for Resiliency in the Face of Change

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date: * b. End Date:

18. Estimated Funding (\$):

| | |
|---------------------|---|
| * a. Federal | <input type="text" value="250,000.00"/> |
| * b. Applicant | <input type="text" value="77,140.00"/> |
| * c. State | <input type="text" value="147,973.00"/> |
| * d. Local | <input type="text" value="0.00"/> |
| * e. Other | <input type="text" value="25,000.00"/> |
| * f. Program Income | <input type="text" value="0.00"/> |
| * g. TOTAL | <input type="text" value="500,113.00"/> |

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on .

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 02/28/2025

SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|--|--|-----------------------------|--------------------|-----------------------|--------------------|---------------|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Water Strategy Grant - Required Project Components | 15.507 | \$ [] | \$ [] | \$ 80,455.00 | \$ [] | \$ 80,455.00 |
| 2. Water Strategy Grant - Hydrogeologic Study | 15.507 | [] | [] | 21,402.00 | 250,113.00 | 271,515.00 |
| 3. Water Strategy Grant - Water Marketing & Water Rights Analysis | 15.507 | [] | [] | 35,076.00 | [] | 35,076.00 |
| 4. Water Strategy Grant - Water Marketing and Water Rights Analysis Technical Analysis, Tool, Decision Support Tools | 15.507 | [] | [] | 113,067.00 | [] | 113,067.00 |
| 5. Totals | | \$ [] | \$ [] | \$ 250,000.00 | \$ 250,113.00 | \$ 500,113.00 |

SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM, FUNCTION OR ACTIVITY | | | | Total (5) |
|---|---|---|--|--|---------------|
| | (1) Water Strategy Grant - Required Project Components | (2) Water Strategy Grant - Hydrogeologic Study | (3) Water Strategy Grant - Water Marketing & Water Rights Analysis | (4) Water Strategy Grant - Water Marketing and Water Rights Analysis Technical Analysis, Tool, Decision Support Tools | |
| a. Personnel | \$ 45,455.00 | \$ 15,152.00 | \$ 7,576.00 | \$ 59,575.00 | \$ 127,758.00 |
| b. Fringe Benefits | 15,000.00 | 5,000.00 | 2,500.00 | 19,697.00 | 42,197.00 |
| c. Travel | 7,500.00 | 1,250.00 | | 3,795.00 | 12,545.00 |
| d. Equipment | | | | | |
| e. Supplies | | | | | |
| f. Contractual | 12,500.00 | 250,113.00 | 25,000.00 | 30,000.00 | 317,613.00 |
| g. Construction | | | | | |
| h. Other | | | | | |
| i. Total Direct Charges (sum of 6a-6h) | 80,455.00 | 271,515.00 | 35,076.00 | 113,067.00 | \$ 500,113.00 |
| j. Indirect Charges | | | | | \$ |
| k. TOTALS (sum of 6i and 6j) | \$ 80,455.00 | \$ 271,515.00 | \$ 35,076.00 | \$ 113,067.00 | \$ 500,113.00 |
| 7. Program Income | \$ | \$ | \$ | \$ | \$ |

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Prescribed by OMB (Circular A -102) Page 1A

SECTION C - NON-FEDERAL RESOURCES

| (a) Grant Program | | (b) Applicant | (c) State | (d) Other Sources | (e)TOTALS |
|--------------------------------------|---|--|--|---|--|
| 8. | Water Strategy Grant - Required Project Components | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| 9. | Water Strategy Grant - Hydrogeologic Study | <input type="text" value="77,140.00"/> | <input type="text" value="147,973.00"/> | <input type="text" value="25,000.00"/> | <input type="text" value="250,113.00"/> |
| 10. | Water Strategy Grant - Water Marketing & Water Rights Analysis | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 11. | Water Strategy Grant - Water Marketing and Water Rights Analysis Technical Analysis, Tool, Decision Support Tools | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 12. TOTAL (sum of lines 8-11) | | \$ <input type="text"/> | \$ <input type="text" value="147,973.00"/> | \$ <input type="text" value="25,000.00"/> | \$ <input type="text" value="250,113.00"/> |

SECTION D - FORECASTED CASH NEEDS

| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---|--|---|---|--|---|
| 13. Federal | \$ <input type="text" value="175,000.00"/> | \$ <input type="text" value="25,000.00"/> | \$ <input type="text" value="40,000.00"/> | \$ <input type="text" value="55,000.00"/> | \$ <input type="text" value="55,000.00"/> |
| 14. Non-Federal | \$ <input type="text" value="125,113.00"/> | <input type="text" value="15,113.00"/> | <input type="text" value="35,000.00"/> | <input type="text" value="45,000.00"/> | <input type="text" value="30,000.00"/> |
| 15. TOTAL (sum of lines 13 and 14) | \$ <input type="text" value="300,113.00"/> | \$ <input type="text" value="40,113.00"/> | \$ <input type="text" value="75,000.00"/> | \$ <input type="text" value="100,000.00"/> | \$ <input type="text" value="85,000.00"/> |

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | |
|---|--|---|-------------------------|-------------------------|
| | (b)First | (c) Second | (d) Third | (e) Fourth |
| 16. Water Strategy Grant - Required Project Components | \$ <input type="text" value="175,000.00"/> | \$ <input type="text" value="75,000.00"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| 17. Water Strategy Grant - Hydrogeologic Study | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 18. Water Strategy Grant - Water Marketing & Water Rights Analysis | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 19. Water Strategy Grant - Water Marketing and Water Rights Analysis Technical Analysis, Tool, Decision Support Tools | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 20. TOTAL (sum of lines 16 - 19) | \$ <input type="text" value="175,000.00"/> | \$ <input type="text" value="75,000.00"/> | \$ <input type="text"/> | \$ <input type="text"/> |

SECTION F - OTHER BUDGET INFORMATION

| | |
|---|--|
| 21. Direct Charges: <input type="text" value="500113"/> | 22. Indirect Charges: <input type="text" value="0"/> |
|---|--|

23. Remarks:

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

| | |
|---|--|
| <p>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Mary A Bachran</p> | <p>TITLE</p> <p>Town Administrator</p> |
| <p>APPLICANT ORGANIZATION</p> <p>Town of Paonia</p> | <p>DATE SUBMITTED</p> <p>10/17/2023</p> |

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Town of Paonia

214 Grand Ave.
Paonia, CO 81428
O: (970) 527-4101
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WaterSMART Water Strategy Grant for Fiscal Year 2023 and 2024

Bureau of Reclamation Funding Opportunity No. R23AS00109



Town of Paonia, Colorado

**Watershed and Water System Strategy Plans for
Resiliency in the Face of Change
October 17, 2023**

Applicant:

Town of Paonia
214 Grand Avenue
PO Box 460
Paonia, Colorado 81428

Project Manager:

Stefen Wynn, Town Administrator
214 Grand Avenue
Paonia, CO 81428
stefenw@townofpaonia.com
970-527-4101

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Technical Proposal

Executive Summary

Date: October 15, 2023
 Applicant Name: Town of Paonia, Delta County, Colorado
 Task Area: A, Water Strategy Grant (New Strategy)
 Applicant Category: A
 Estimated Project Cost: \$500,113
 Grant Funding Request: \$250,000
 Non-Federal Matching Funds: \$250,113

The Town of Paonia (Town) seeks USBR funds to help create a water system strategy plan for our entire water system from our watershed, where our springs are located, to our taps. The system serves 1309 taps (929 in town, 380 out of town) from 32 springs on the side of Mount Lamborn flowing into two basins and supplying two treatment plants. The springs also fill three reservoirs on the mountain and provide water to several ranches which graze cattle on the watershed. The study will investigate the intricacy and relational impacts of the system (the most complex in the State for a town of our size), its interrelated parts and users. The depth of seasonal snowpacks on Mount Lamborn have been erratic and slowly decreasing with hotter and drier summers. Scientific data for this area of the watershed generally indicate a decrease in water yields. The professionals conducting the study will work with local agencies and constituents, including the US Forest Service (USFS), cattle grazers, farmers, and municipal water users, to create a plan that will quantify past trends and predict future rain and snowfall yields, assess the state of the infrastructure, and prioritize infrastructure work necessary to mitigate changes from lengthening droughts and increasing heat, examine wildfire impacts and mitigation methods, as well as methods to preserve the Town’s water rights. This work will add to the Colorado Water Plan database and better focus the Town’s Capital Improvement Plan.

Estimated Completion Date: July 2026

Project Location

Mount Lamborn (38.802521, -107.522671) and the Town of Paonia (38.867900, -107.597900) are in Delta County, Colorado on the North Fork of the Gunnison River. The water system from springs to taps covers approximate 25,000 acres.

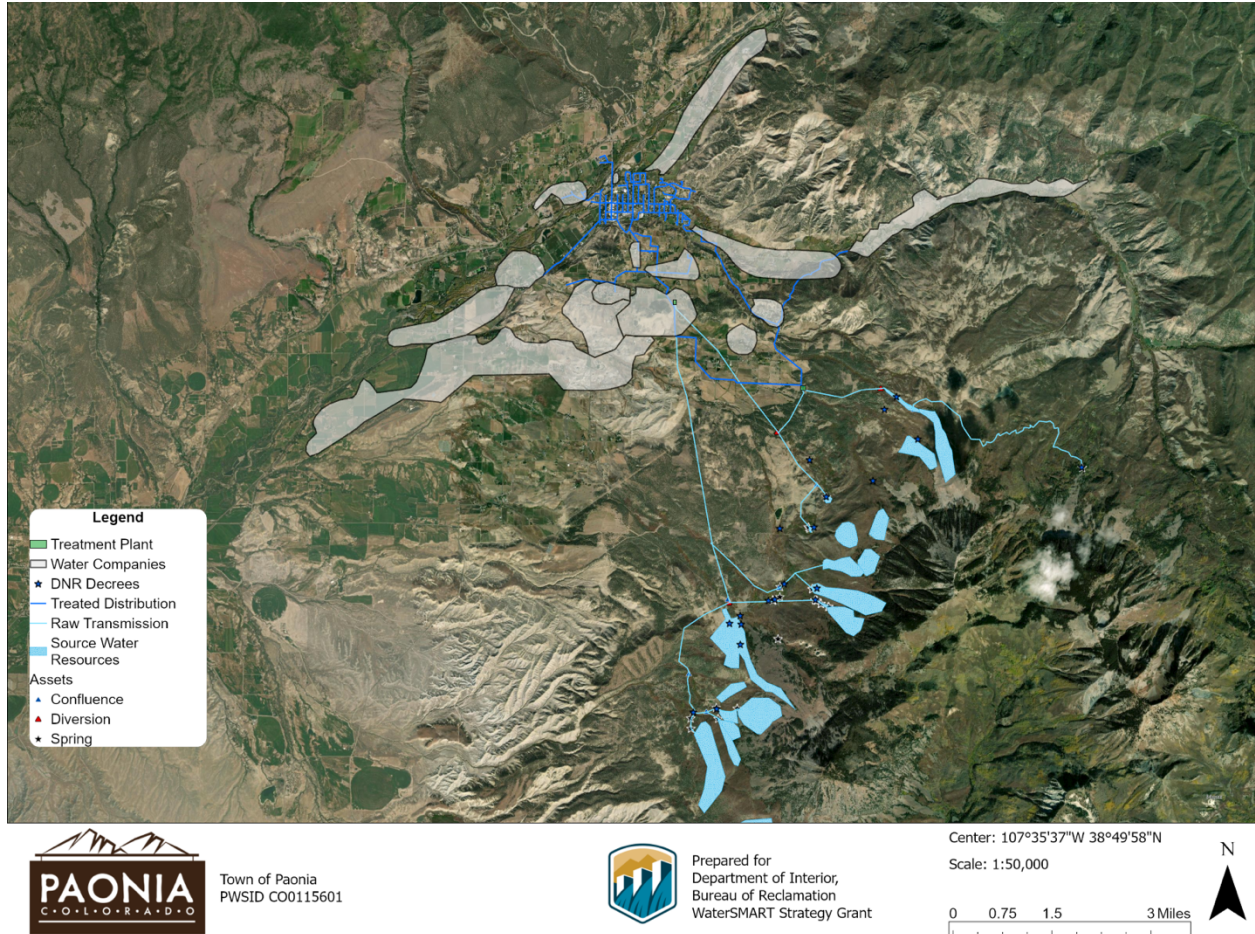


Figure 1: Map of Project Area including Source Water and Water Companies

Project Description

In 2019, the Town of Paonia (Town) suffered a serious water crisis due to infrastructure failure that made national news¹. Residents of the Town had no water for two days, and out-of-town residents up to 23 days. The failure was a combination of broken and leaking pipes and the consequences of a hot dry summer the previous year leaving underground sources in the watershed on the side of Mount Lamborn depleted.

Paonia collects water from spring systems flowing from Mount Lamborn and Land’s End Peak located south of Paonia. This has been the raw water source since the Town’s drinking water system was established in 1909. Raw water is collected from a series of 32 springs located on the northern slope of Mount Lamborn. The springs collection system is comprised of a conglomerate of infiltration galleries, springs collection boxes, PVC and steel gravity collection pipes, overflow boxes, and monitoring locations. All springs used by the Town have been classified as Groundwater under the direct influence of surface water (GWUDI) and therefore require surface water type treatment to convert the raw water into potable water. Because of the existing topography on Mount Lamborn, a portion of the springs can only be collected and

¹ <https://www.npr.org/2019/07/24/744236308/how-a-perfect-storm-cut-off-water-to-this-colorado-town>
Town of Paonia

treated at the upper Lamborn water treatment plant, while another portion can only be collected and treated at the lower Clock water treatment plant. Only some of the raw water produced by the springs is measured. The means to achieve comprehensive and accurate spring monitoring is essential. It will benefit not only the Town but the surrounding areas that are also within this source water system. The springs are vulnerable to surface contamination, drought conditions, and wildfire impacts on water quality.

Paonia’s spring complexes also provide treated water to residential, commercial, and consecutive water systems (water companies). The Town also has surface water rights at a diversion on the North Fork of the Gunnison River, but these are not often used due to higher turbidity levels and distance to the treatment plants. Some commercial and residential properties have access to raw water surface diversions in ditches, providing irrigation water to customers. Ditch water is owned by a private water and ditch companies. Raw surface water used for irrigation helps reduce the demand for treated water.

Snowpacks on Mount Lamborn and Land’s End Peak watershed are decreasing and water yields to the springs flowing downward. While data collected from the Colorado Division of Water Resources and the Town of Paonia are limited and spotty, records for 1993 collected by Consolidated Consulting Services in a 1995 report² compared with data collected by the Town in 2022 show a 52% to 62% reduction in flow in the months of June, July and August, and an increased flow of over 50% during the months of January and February in 2023. These data demonstrate higher temperatures on the mountain, resulting in more melting in the middle of the winter leading to less water retention for summer high-demand months. Delta County, in which Paonia is located, is one of the most prominent climate hot spots in the western U.S., warming over two degrees Celsius³. These factors further lead to increased evaporation on the three reservoirs located in the watershed, leaving less water available for irrigation and cattle.

Crumbling infrastructure adds to the problem. Once a thriving coal and agriculture-based economy, the area has reeled from the closure of two of its three operating coal mines, gutting the source of well-paying jobs and emptying coffers. Funds to replace aging infrastructure are scarce and parts of the infrastructure are 70+ years old. In the municipal water system, from the treatment plants to taps, water loss is calculated at 46%.

The Town is in the approval process for both Drinking and Clean Water Funds to replace its aging water and sewer infrastructure. The Town received grants for a hydrogeology study in the watershed and has invested in leak detection and water meters at the springs. However, these efforts need the support of a broader, more comprehensive plan for the Town and all the people who rely on its water and the others who depend on Mount Lamborn for water.

² Consolidated Consulting Services, *Town of Paonia Reconnaissance Assessment Raw Water Supply*. Delta, CO. 1995

³ <https://www.washingtonpost.com/graphics/2020/national/climate-environment/climate-change-colorado-utah-hot-spot/>

The Town of Paonia needs a holistic, comprehensive, and systemic investigation of its complex water sources to inform an effective strategic water plan that includes the beginning of the source waters to the customer's taps. The plan should include how agricultural use will be affected and benefit ranchers, the ecosystem, ditch owners, farmers, and all water users. Once adopted, the Town will be well positioned to proceed with projects funded by other WaterSMART programs such as Drought Contingency or Drought Resiliency, and other grants as well.

1. Stakeholder Engagement

The first step will be to identify all the stakeholders. Stakeholder identification will include outreach to community organizations, business groups, agriculture users including ranching and farming associations, public lands managers, water districts, HOAs, and other users. A plan will be devised on the best way to engage the disparate individuals and groups who have a stake in this endeavor. Small focus groups, larger community gatherings, exhibits at community events, social media, our local radio station, and a project website, are envisioned. Efforts will be made to ensure that all voices are heard. It is anticipated that draft and final documents will receive public review and input.

2. Analyses, Scoping and Planning

The plan will complete project components in the following steps, albeit not necessarily in this order:

Technical Analyses to Identify Problems, Needs and Opportunities

- Engineers will conduct the hydrological investigation and analysis beginning in early 2024, focusing primarily on the watershed.
- An assessment of existing infrastructure options for improvement was completed by JDS Hydro Consultants, Inc. and SGM in 2021. However, the collection pipes in the watershed and those leading to the treatment plants were not included in the prior assessments. A raw water collection line hydraulic analysis and survey of the raw water collection system will need to be completed for the plan. Any need for additional metering and locations for those meters will be investigated. Water modeling to support a town development plan under the new comprehensive plan should be developed.
- The public works department has noted some watershed degradation. Restoration and mitigation of future damage recommendations will be included. Mitigation measures for climate change impacts, including the increasing danger of wildfire and nature-based solutions to improve the holding capacity of the aquifer, will be included. Wildfire mitigation efforts are of particular importance as the treatment plants currently do not have the capacity to deal with volatile organic compounds post wildfire.

Water Marketing and Water Rights Analyses

- Financial and economic impact analysis regarding infrastructure improvement projects and their effects on the Town will be done. Rate studies will need to be conducted to determine the implications of increases on the consumers of the system examined over a minimum of five years. Attention must be paid to the effects of increasing rates on a household’s ability to afford essential needs.

- Funding recommendations, including specific grant programs, loan opportunities, and other financial supports to best facilitate implementation will be included in the plan.
- The Town is served by a conglomerate of water rights which has been assembled over the course of almost 140 years. The source of most water rights emanates from a complex network of springs or raw water pipelines at diversions located on Mount Lamborn Mesa. A water rights list was most recently compiled in April of 2023. However, more extensive work needs to be performed to ensure that all the adjudicated rights are secure and adequately maintained, that the apportionments are correct and enforceable.
- Previous Town leadership sold hundreds of water taps to a landowner with an agreement that primarily benefits private interests. They have never been used. Honoring those taps will be extremely expensive for the Town. An in-depth legal analysis of how to address this situation will be included.
- An economic and community assessment of the impacts of future changes must be performed. Any changes to the watershed need to be analyzed considering the environmental impacts on the ground, water, and wildlife and the ranchers and farmers who rely on the land to provide food.

Research of Legal and Institutional Requirements

- For any projects proposed in the plan, permits and environmental assessments will need to be taken into consideration as to cost both in time, money, and resources.

Analyses of Needs for Decision Support Tools

- The 2021 Water System Evaluation included a preliminary dashboard and database to help organize and collect water data for analysis. This system was rudimentary. Recommendations and implementation work for more effective and robust monitoring and data collection will be included in the plan, as well as updated supervisory control and data acquisition software (SCADA) and metering improvements.

Development and Comparison of Project Alternatives

- After data collection and analyses are completed, the needs of the system and possible alternatives will be organized in a decision matrix and the alternatives compared. This comparison may include variables such as financial impact, priority based on need, priority based on state and federal regulatory compliance, implementation schedules, community preferences. Input from all the stakeholders will be solicited and their ideas incorporated into the final decisions.
- A final list of prioritized projects will be generated and presented to the Town and stakeholders.

3. Water Strategy Document will contain:

- The records of stakeholder meetings and a summary of their results
- A summation of all technical analyses (engineering, fiscal, marketing, water rights, legal, institutional, community benefits, environmental, and decision support)
- A statement of problems and needs
- Project opportunities, constraints, and a comparison of alternatives
- An implementation strategy
- A discussion of lessons learned.

Evaluation Criteria

E.1.1 Criterion A: Project Benefits (35 points)

Threats to water supply, water quality, and river-based ecosystem or watershed health within the geographic area:

Our area survives on the health of the Mount Lamborn watershed. The amount of precipitation has decreased in the last four decades. The four-year average (1988-1991) of 43.5 million gallons (mg) flowing monthly from May through October into the Towns treatment plants has diminished to 27.8 mg from 1999-2000. The snow is melting earlier such that flows averaging 5.6 mg from January through March 1988-1991 have increased to 13.7 mg in the same months (1999-2000). In Delta County, Colorado, average temperatures have risen over two degrees Celsius making it, along with three other counties in Western Colorado and Utah, the largest climate hot spot in the lower forty-eight states⁴. The increase in temperatures intensifies the rate at which the snowpack melts resulting in less water available during the summer for irrigation, agriculture, commercial use (wineries, food production), and domestic use. It also stresses ecosystem of the mountain watershed, degrading it, and resulting in vegetation die off and, thus, less water holding capacity. The U.S. Drought Monitor shows Delta County (highlighted) in moderate to severe drought.

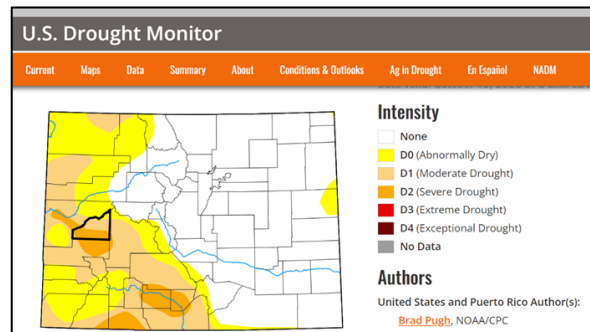


Figure 2: US Drought Monitor Map, Brad Pugh, NOAA, released Thurs. October 12, 2023

To exacerbate the situation much of the Town’s water collection and distribution system is old and in need of replacement. Water loss in the system currently stands at 46% despite efforts to track and fix as many leaks in the distribution system as possible. The infrastructure has not been assessed on the collection side and is missing and inadequate in critical places, such as spring collection boxes which are collapsing or in disrepair. There is no way to measure how much water loss occurs before the water reaches the treatment plants as the springs are not yet in a condition where they can be accurately metered. The Town’s people voted to place a water tap sales moratorium including a prohibition on the extension of existing water lines to new construction or other buildings on a property. This is a stop gap measure. Colorado law does not encourage extended moratoriums, and the problems discussed in this application must be

⁴ <https://www.washingtonpost.com/graphics/2020/national/climate-environment/climate-change-colorado-utah-hot-spot/>

resolved before it can be lifted. Outside Town limits, there is no easy way to monitor and control activities in the water companies as they are privately owned.

How threats impact specific water users or sectors in the geographic area

The status of Paonia’s water system poses significant hazards to the town residents and businesses, as well as the farmers and ranchers who are dependent on the watershed. For residents of the Town and the 26 consecutive water companies (a total of 1309 active taps) that rely on Town of Paonia water, this is a matter of public health and safety. This is their only source of potable water. The Town has already had one significant water outage in 2019 due to infrastructure failure that lasted several days for Town residents and weeks for out-of-town water users. The diminishing snowpack and rainfall throughout the year results in less water for residents in the valley and the surrounding area. These two issues, fragile infrastructure, and diminishing water supplies, put the Town at serious risk of being unable provide clean and safe drinking water reliably in the future.

The decrease in water supply also significant impacts ranchers and farmers. Agriculturalists relying on ditch water from the Lamborn watershed are in grave danger of losing their irrigation water. In 2020, ditches from Lamborn only ran for a few weeks due to a sparse snowpack and hot summer. Fields were fallowed, hay crops produced only one cutting and animals were sold off early and at half weight.

While the downstream effect of the decreasing snowpack has serious consequences for all users, the effects on the watershed is also dramatic and devastating. As the soils dry more thoroughly with hotter, drier summers, the rain that does fall cannot soak into the ground and remain to sustain the covering vegetation. Instead, it runs off the dry ground creating erosion and carrying off silt and soils into the valley, mucking up streams and silting in reservoirs. Drought conditions have also put the watershed at higher risk for wildland fire events.

How the planning project will help address the threats to water supplies and water users

To quote the US Department of Energy: “A successful water management program starts with a comprehensive strategic plan.”⁵ Establishing a comprehensive water system strategy plan for Paonia’s entire water system will benefit Town water users and help all water users by keeping the water in the watershed where possible and promoting watershed health.

Users of Paonia water will benefit from an in-depth examination of all facets of the watershed and how it interplays the Town’s water system. We need to know which parts are functioning well, which parts need attention and how soon, how to best mitigate the effects of climate change and how best to address wildfire issues. This will help us continue to provide a reliable supply of clean, safe drinking water and raw water for irrigation as long as possible. More specifically, users will benefit from the strategy because it will:

⁵ <https://www.energy.gov/femp/best-management-practice-1-water-management-planning#:~:text=The%20plan%20provides%20information%20about,that%20provides%20the%20biggest%20impact.>

- ◆ Provide coordination and increased communication among users and partners such as public lands managers and water districts.
- ◆ Assist the Town and other water providers in creating a capital plan that identifies priority projects, timeframes, and costs so that they may be better fiscal managers of public funds.
- ◆ Respect low to moderate income families’ economic capacity by evaluating fee schedules and system rates.
- ◆ Better understand the impact of drought on this water system and adjacent public lands with respect to wildfire risk.
- ◆ Improve the reliability of the drinking water supply.
- ◆ Provide a water management plan which should lead to the modernization of the community’s water system including updated decision tools.
- ◆ Provide a foundation for grant seeking for capital projects to improve the water system.
- ◆ Better understand how to sequester water on the mountain to combat the effects of hotter summers and climate change.
- ◆ Collaborate to avoid water conflicts and seek solutions beneficial to all.

Tribe or Disadvantaged Community water supply

This plan is not for the purpose of providing water for any Tribe, insular area, or fully disadvantaged community under E.O. 14008 and E.O. 13985. The Town of Paonia is recognized by the State of Colorado Department of Public Health and Environment as an economically disadvantaged community due to the larger number of households living below median income. The Climate and Economic Justice Screening Tool through the US Council on Environmental Quality does identify two categories in which Paonia does meet disadvantaged. Those include expected population loss rate (97%) and abandoned mine lands (no percentile listed).

Nature-based feature improvement

Our planning effort includes a forested watershed which is located on the side of Mount Lamborn. It covers approximately 8,900 acres and ranging from 6,500’ to 8,500’. Most of the 32 springs that feed the Town of Paonia’s water system lie at about 7,800’. The plan could possibly indicate the building of “fake” beaver dams, or improvement of our springs collection. For example, as the snowpack melts, the springs out produce the carrying capacity of the infiltration galleries and transmission pipes. Consequently, the run-off travels down access roads causing erosion instead flowing down their natural tributaries. This fragments the surface water connectivity and bypasses wetlands which have potential for groundwater storage.

Is project for the purpose of existing environmental mitigation or compliance obligations under Federal or State law?

No, this project is not for the purpose of any existing environmental mitigation or compliance obligations.

E.1.2 Evaluation Criterion B: Inclusion of Stakeholders, Stakeholder Support, and Previous Planning Efforts (25 points)

Why is area significant and appropriate for the proposed planning activity?

While the area of this plan is not large, about 25,000 acres, it is home to one of the best producing organic farming areas in the State of Colorado. Our farmers supply restaurants as far away as Telluride, Glenwood Springs, Delta, and Aspen - almost a hundred-mile radius. Their abundance is such that free food boxes are supplied to our senior population throughout the summer. Paonia’s vineyards have been touted in such publications and US News and World Reports and the Valley called the “Provence” of America.⁶ After three of our four coal mines shut down eight years ago, devastating our economy with the loss of jobs and income, we have worked very hard to revitalize our home into a place where people come to enjoy the fruits of our harvests, the beauty of our region, our music and arts and the small town ambiance. We are hub for hunters who come from around the county to experience the mountains and game of our surrounding forests. Ecotourism is also a significant draw with mountain bikers using the recently approved Jumbo Mountain BLM Recreation Area, hikers exploring the plethora of trails and nature lovers coming just to spend time in the quiet of beautiful valley.

All these special resources in our Valley are owned by a very diverse group of land interests. Whereas many jurisdictions are a single political unit, the Town’s watershed is managed by private water companies; individual landowners; local government, and state and federal land agencies. The size of the geography is not as important as its diversity. Supporting water strategy planning is not a simple task with a very broad stakeholder group.

The area cannot continue to support tourists and its changing economy if we do not address our crumbling infrastructure decreasing water supplies. We must have a plan.

Previous water planning efforts

In May of 2021, JDS Hydro Consultants, Inc. (d.b.a., RESPEC) completed a rudimentary water system evaluation commissioned due to the 2019 system failure. It examined the entire system but did not take into consideration the impacts of increasing temperatures, decreases in snowpacks, fire dangers, and deterioration of infrastructure in the watershed. This plan was not developed in a collaborative process with multiple stakeholders as it was focused on the internal needs of the Town of Paonia at that time. Any future comprehensive planning effort must involve all stakeholders to create a collaborative focus among the Town’s differing opinions regarding water management and those of the surrounding area.

Identify stakeholders who have committed to be involved in the planning process.

The Town has reached out to all of those who use or have a stake in the watershed on the side of Mount Lamborn, who utilize the water that is produced by that watershed, or who use or buy water from the Town. Everyone spoken to has been enthusiastic about the creation of a holistic plan and happy to engage. However, not everyone was able to send letters of support in the short time between notification and the grant deadline. The letters sent as follow up are included as attachments. Below is the list of contacted organizations:

⁶ Huber, Thomas Patrick. 2011. *An American Provence*. Boulder: University Press of Colorado.
Town of Paonia
WaterSMART Strategy Grant 2023

| Water Companies | | | |
|---|------------------------------------|-----------------------------|-------------------------|
| Apple Blossom Estates | Eastgate Waterline* | Hammond Pipeline | Lamborn Mesa Water |
| Burgess Water Co.* | Foothills Water Co.* | Hawks Haven Water | Minnesota Pipeline* |
| Cedar Hill Water Company | German Creek West Water Assn | Hidden Valley HOA* | North Fork Trailer Park |
| Cedar Hill Water Company 2 | German Mesa Waterline | Jumbo Mountain Water | Rusty Pipe Association |
| Chapin Pipeline Association | Gillenwater, Dale | Lamborn Drive Water Assn | Shaft Water Company |
| Creekside Water Company | South Lamborn Mesa Water* | Stewart Mesa Water Company* | West Paonia Domestic |
| Western Extension Domestic (<i>verbal commitment</i>) | Whistling Acres/ Minnesota Creek | | |
| Water Districts | | | |
| Bone Mesa Water Dist.* | | | |
| Ditch Companies | | | |
| Turner Ditch Co.* | Lone Cabin Ditch Co.* | | |
| Ranchers | | | |
| West Elk Livestock Assoc* | | | |
| Mt. Lamborn Livestock, LLC* | | | |
| Counties | | | |
| Delta County# | | | |
| Federal Agencies | | | |
| USFS* | | | |
| Municipalities | | | |
| Town of Paonia | | | |
| State of Colorado | State Senatorial | | |
| Dept of Natural Resources# | Senators Bennett and Hickenlooper# | | |
| * Letter of support and commitment # Letters of support | | | |

Describe stakeholders in the planning area who have expressed their support for the planning process, whether or not they have committed to participate.

The timeframe between the identifying this grant opportunity and gathering letters of support from the stakeholders was very short. Although all were contacted by email or phone, information was not available for at least one water company, and two of the presidents of the water companies were out of town. Everyone contacted expressed support for the planning process though not everyone was able to commit to the participation of their members. This was especially true of the water companies, some of whom have up to 60 taps and users. The ranchers

were pleased to hear about the efforts, as well as the ditch companies. The USFS was especially pleased to see that a planning effort was taking place.

We received 7 letters of support and commitment from the Water Companies, one verbal commitment of participation, a letter of support and commitment from the USFS, the West Elk Livestock Association and Mt. Lamborn Livestock LLC, The Bone Mesa Water District, Turner and Lone Cabin Ditch Companies, a letter of support from Delta County, the Colorado Department of Natural Resources, State Senators Bennett and Hickenlooper, and approval by the Paonia Town Board of Trustees. All letters are attached (Attachment 1) as well as minutes from the October 10, 2023 Paonia Town Board Meeting (Attachment 2).

Describe what efforts the applicant will undertake to ensure participation by a diverse array of stakeholders in the development of a plan (or plan update).

All the water companies, the USFS, the ditch companies, the ranchers, and all other users of water from Mount Lamborn will be contacted and informed of stakeholder meetings. Our area is small enough that phone numbers and other contact information can be obtained for the key stakeholders in the watershed. The citizens of the Town will be informed through the Town’s website, postings at Town Hall, announcements during Town Board Meetings, postings on social media message boards, and through the radio and local print media.

Several meetings will be held at different times and places both inside and outside of Town to ensure that participation is facilitated. If organizations or water companies cannot make meetings, contractors can attend the meetings of their boards. Contacts will be maintained during the planning process and other participants identified as they come to light.

Is there opposition to the proposed planning effort? If so, describe the opposition and explain how it will be addressed.

Every person and organization contacted has expressed support for the process.

E.1.3 Evaluation Criterion C: Ability to Meet Program Requirements (20 points)

Program Specific Requirements (Attachment 1)

Required Project Component 1: Outreach and Partnership Building

In a small area such as Paonia, ensuring that all vested interests are included in the planning efforts is essential. After identifying the key players in the area, the first step will be to formulate a plan for contacting and engaging productively each of the participants. Once a plan is made outreach will be conducted through focus groups, open houses, community event booths, a project website, or workshops to provide information and gather input. It is anticipated that meetings will take place on ranches; on the National Forest; at community events; in small businesses rather than the typical setting used by most local governments. Child-care and food as well as flexible meeting times and the need for bi-lingual services will be considered. A draft strategic plan will be provided to all the stakeholders and other interested parties when completed for their comment and input. These comments will be integrated into the final document.

Already the Town has reached out to the 26 water companies, the Turner and Lone Cabin Ditch Companies, the Bone Mesa Domestic Water District, Delta County, the US Forest Service, and Town of Paonia

local ranchers to ask for their support and participation in the plan. These stakeholders were very excited to be part of the process, and many sent letters of support included in the attachments.

Required Project Component 2: Analysis, Scoping and Planning Activities

a. Analysis of Problems and Needs:

The Town of Paonia has contracted for a hydrogeological study of the rock formations on the side of Mount Lamborn to understand the characteristics of the aquifers that spatially and temporally feed the spring systems. The objective is to increase raw water seasonal carryover volume by recharging groundwater resources. This will extend the volume and reliability of water throughout the year and improve source water quality for more efficient treatment. The study will investigate the interaction of groundwater with surface creek water and wetlands meadows and develop overall strategies for sustainably managing water resources. Ice, snow, and depression storage areas will be mapped and defined, and innovative approaches to enhance watershed resilience and secure municipal potable supply, benefit agricultural producers, and recreation will be described.

In addition to this analysis, the Town needs an assessment of potential infrastructure improvements to increase water conservation and efficiency and opportunities for new drought strategies, including nature-based solutions.

b. Identification of Potential Opportunities and Comparison of Alternatives, and Prioritization of Project Concepts:

With so many pressing issues facing the Town of Paonia, changes must be prioritized. Projects must be implemented in the most timely, practical, and cost-effective manner. Addressing the decreasing water supply, either through the loss of water through leakage or the loss of moisture falling on the mountain, may not be the most productive use of the Town’s time and money if the strategic plan recommends better alternatives. This is one of the most important outcomes of the plan.

A set of variables for comparing alternatives will be developed. Specifically, fiscal capacity and constraints; partner contributions; public health and safety; community buy-in; regulatory compliance; environmental and historical resource impacts; community economic impacts and short-, medium-, and long-term horizons are being considered. In some cases, the no-action alternative can be acceptable.

c. Development of Strategy for Moving Forward with Project Concepts:

Formulating a strategy and work plan for recommended improvements and practices is essential. The work plan will recommend steps and establish estimated timelines for completion. Parties responsible for ensuring the implementation of the plan progress will be identified, and possible funding sources will be detailed. Opportunities and constraints will be included in the process.

Required Project Component 3: Development of a Water Strategy Document.

Outreach Summary

The document will memorialize stakeholder outreach efforts, concerns, and ideas and summarize conclusions. An outreach plan will be included. The meetings' and other discussions' dates and contents will be included and incorporated into the final document.

Statement of Problems and Needs

A summary of the work will cover opportunities and challenges, including the issues identified, the severity of those issues, and their relevance to the water users in the area. Recommendations to resolve those issues will conclude this statement. Preliminarily identified are issues related to water reliability; failing water infrastructure; lack of a coordination planning tool; an outdated and inadequate decision-making tool; and wildland fire risk.

Project Opportunities and Comparison of Alternatives

The issues identified in the work summary will include options for resolving them, focusing on describing the best alternatives. These solutions will be compared and prioritized according to cost/benefit, applicability, and effectiveness. The most effective and feasible recommendations will be highlighted.

A matrix addressing all the variables being considered in the alternatives will be developed. As stated above, variables to assist in the selection of a preferred alternative may include fiscal capacity and constraints; partner contributions; public health and safety; community buy-in; regulatory compliance; environmental and historical resource impacts; community economic impacts and short-, medium-, and long-term time horizons are being considered. In some cases, a no-action alternative may rise to the fore. This is an acceptable option only if public health and safety and environmental concerns are addressed.

Implementation Strategy

The final plan will be vetted through the stakeholder groups and the public. It will be taken to the Board of Trustees and the prioritized projects presented. The Board will decide, based on the recommendations in the plan, which project(s) it would like to pursue. The Town Administrator will then add these projects to the Town’s Capital Improvement Program for approval by the Trustees. Staff will create a funding strategy for priority projects which will include future Town budgeting; partner contributions; and public and private grant opportunities. These may include grants for additional studies; project design and engineering; and construction. The Town anticipates looking specifically at future USBR WaterSMART opportunities.

Any permitting, environmental or historic resource studies, land or water rights acquisition, will need to be completed as part of the process as well. Stakeholders will be identified and engaged and asked to commit to the project. Once funds have been obtained, RFPs will be written, and the projects will go forward according to grant and all other requirements. The project will ultimately be overseen by the Town Administrator, but under him/her by the Public Works Director and on-site by the contractor and any other State or Federal agency involved.

Even with the formulation of a comprehensive plan, there is no guarantee of follow through. As Boards of Trustees change with elections and priorities of Boards change, the necessity of the projects may not be seen as imperative to a new Board, and they may not choose to move forward on the plan. Another barrier to implementation is the availability of funding. Many infrastructure projects are costly and small communities do not have the ability to pay for such projects out of their limited budgets. As funds from the Bipartisan Infrastructure Law and the Inflation Reduction Act expire, resources for such projects may also dry up making it difficult to complete expensive projects. The ability of a community to absorb more debt or higher use fees

is also a concern. The capacity of small communities to manage grants and contracts with only a few staff causes stress on the administration and often requires additional contractors to assist with project management; grants and contracts monitoring; and fiscal reporting.

Discussion of Lessons Learned

The final section of the plan will examine how the process benefitted the Town, the stakeholders who participated, and the lessons learned through the plan's development. If any feedback is identified for the Department of Reclamation, it will be included and shared with the Department. A summary of the work completed by the hydrogeology study will also be included.

Approach to Meet Applicable Program Components and Requirements

Preliminary Project Schedule

July 1, 2024 Award Date

| Task # | Task Description | Responsible Party | 24 | | | | | | 25 | | | | | | 26 | | | | | | | | | | | |
|--------|----------------------|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| 1 | Admin set up | Town Admin | █ | █ | █ | | | | | | | | | | | | | | | | | | | | | |
| 2 | Stakeholder Outreach | Consultant team | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 3 | Needs Assessment | Consultant team | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 3a | In-town/valley | Consultant team | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 3b | Watershed | Consultant team | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| 4 | Analysis | Consultant team | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 4a | Needs/Opportunities | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | |
| 4c | Prioritize | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | |
| 4d | Strategy | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | |
| 5 | Write Document | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | |
| 5b | Present to Town | Consultant team | | | | | | | | | | | | | | | | | | | | | | █ | █ | |

Task 1 Project Mobilization Responsible Party: Town Administrator, Clerk

- 7-9-24 Present to Paonia Town Board of Trustees for acceptance of grant
- 7/10-12/24 Set up systems in Town Administrative Office to track grant and fulfill all grant requirements.
- 7/31/24 Publication Date of Consultant RFP
- 8/30/24 Proposal Deadline
- 9/16/24 Consultant Finalist Interviews
- 9/24/24 Board of Trustees Approval of Contract
- 9/25/24 Kickoff meeting with Consultant and Town Administrator
- 9-25-24 Milestone 1 – Grant Consultant Hired**

Task 2 Stakeholder Outreach Responsible Party: Consultant Team

- 2a 9/30/24 Create Outreach Plan
- 2b 10-12/24 Outreach Stakeholder identification
- 2c 10/12/24 to 12-15-24 Stakeholder meetings
- 12-15-24 Milestone 2 – Initial outreach plan and meetings completed**

Task 3 Needs Assessment Responsible Party: Consultant Team

- 3a 1/15/25 Begin assessment of water system in valley
- 3b 5-1-25 Begin assessment of water system in watershed and on slopes of Mt. Lamborn
- 9-30-25 Milestone 3 – Data gathering completed**

Task 4 Analysis Responsible Party: Consultant Team

- 4a 10-3-26 Begin analysis of data.
- 4b 1-3-26 Prioritize needs and identify projects
- 4c 1-3-26 Develop possible strategy
- 4d 1-15-26 Begin to present findings to stakeholders and gather input on findings

Task 5 Write Strategy Plan Document *Responsible Party: Consultant Team*

5-25-26 Milestone 4 – Strategy Document Completed

5a 6-1-26 Present final document to Stakeholders

5b 7-14-26 Present to Paonia Board of Trustees

7-14-26 Milestone 5 – Study Completed

Existing Data and Models and Staff Expertise

1. The Town of Paonia commissioned a water system evaluation and received a report from JDS Hydro Consultants, Inc. (d.b.a., RESPEC) in May of 2021 which examined the water system including the springs and infrastructure. It will be available for the consultants.
2. An Asset Inventory/Capital Improvement Plan was completed for the Town by SGM in September of 2021 and will be available for the consultants as well.

Both documents are of high quality with caveats about the underlying water flow data which is sparse and spotty for the water system. Accurate and ongoing record keeping for water flows has only occurred since 2021 and this we hope to help rectify with future projects.

The project will ultimately be overseen by the Town Administrator, Stefen Wynn, and under him by the Public Works Director, Cory Heiniger. The Public Works department water staff, Jorden Redden and Jeremiah Garcia, are very knowledgeable about the water system and its functioning. They both hold Class S water treatment operator’s licenses and will be available to the consultants. SGM and RESPEC are contractors for the town and can be available to the consultants.

Describe any new policies or administrative actions required to implement the plan or project being designed.

No new policies or administrative actions are needed to implement the plan.

E.1.4 Evaluation Criterion D: Presidential and DOI Priorities (15 points)

Sub-criterion No. D1: Climate Change

Delta County, where Paonia is located, is one of the climate change hot spots in the western United States. One of the focuses of our plan is to examine how the Town can mitigate increasing temperatures and decreasing water yields to improve the holding capacity of the watershed. Climate change issues to be resolved by the plan include reducing the effects of drought, mitigating the chance of wildfires that can denude our watershed and destroy our water infrastructure, and improving our infrastructure to ensure we utilize every drop of water collected. By collaborating with the other water users in the watershed, this plan will help us find solutions that will benefit all and help us manage resources better.

Specifically, we are looking for a plan to identify water loss in the system to reduce our current water loss from 46% to less than 10%, for a plan to upgrade old, leaking infrastructure, and for a

plan which is resilient, timely and beneficial in helping the water system deal with the changes already happening.

Sub-criterion No. D2: Disadvantaged Communities

While the Town and surrounds are not considered disadvantaged or underserved by E.O. 14008 and E.O. 13985, 18% of our population lives under the poverty line and 24% of our residents are seniors, on a fixed income, who make up almost a third (29.5%) of our population (American Community Survey 2021). While Paonia is not designated fully disadvantaged under The Economic Justice Screening Tool published by CEQ, it does have two justice criteria that meet the threshold. They are expected loss of life and mine lands. The Town also qualifies as disadvantaged under the Colorado Drinking Water State Revolving Loan Fund (SRF).

We are a Town of 1,447 people. Though it is not reflected in the zip code statistics, 46% of the people who actually live within the town boundaries and who will bear the brunt of the costs of these repairs have annual incomes in the low to moderate income level according to the Colorado State Demographer’s Office. The Town’s median income is \$53,646 as compared to a state average income of \$80,184 (2017-2021 American Community Survey 5-Year Estimates). We are not rich, nor do we have deep pockets. Most of the people here live either from paycheck to paycheck or from summer income to summer income, due to the prevalence of only the available work being seasonal. We have applied for an SRF loan in the amount of \$5.5 million. Repaying this loan is going to result in multiple water rate increases in the coming years that will hit the bottom earners and those on a fixed income the hardest. And this loan is addressing only three projects in a list that will conservatively cost another \$20 million in today’s dollars. Having clean, reliable water in their homes without having water rates continually rising would greatly benefit all the people who live in Town and are served by the Town’s water system. A comprehensive plan will direct us to timely and economical solutions.

E.1.5 Evaluation Criterion E: Nexus to Reclamation (5 points)

We have no nexus to any Bureau of Reclamation project or activity.

Project Budget

We are applying for a Water Strategy Plan under Category A, a new plan. The total plan cost is \$500,113. The Town is contributing \$77,140 in cash and in-kind services, and three other granting agencies are contributing \$152,973. The Town is absorbing all administrative costs for this grant and not asking for reimbursement.

Table 1. —Summary of Non-Federal and Federal Funding Sources

| FUNDING SOURCES | AMOUNT |
|--------------------------------------|---------------|
| Non-Federal Entities | |
| 1. CO Water Conservation Board | \$ 122,973 |
| 2. CO River District | \$ 25,000 |
| 3. Gunnison Basin Roundtable | \$ 25,000 |
| 4. Town of Paonia | \$ 77,140 |
| Non-Federal Subtotal | \$ 250,113 |
| REQUESTED RECLAMATION FUNDING | \$ 250,000 |

Town of Paonia
WaterSMART Strategy Grant 2023

The funds from the Colorado Water Conservation Board, the Colorado River District and the Gunnison Basin Roundtable have been obtained. They are committed for the Hydrogeological Study of Paonia Spring Complexes, which is integral to this proposed plan. The Town committed \$75,000 to the Hydrological Study in 2023. The Town Board of Trustees authorized submission of the WaterSMART grant at their Board meeting on 10-10-23 with a commitment of \$2,140 in in-kind work by staff. Minutes of the meeting are included as an attachment.

Environmental and Cultural Resources Compliance

Will the proposed project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)?

The planning component of this project will not disturb the surrounding environment. The hydrogeologic study will not have negative impact on the environment. All the field work being done will be minimal with metal rods for 2DR geophysical work on the side of Mount Lamborn at various altitudes between 6,500’ and 8,500’. All-terrain vehicles will carry the equipment to the sites and will cross over undisturbed ground.

Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area?

There are no known species that are listed or proposed to be listed as Federal threatened or endangered species in this area or designated critical habitat.

Are there wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdictions “Waters of the United States”?

There are no wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdictions “Waters of the United States”.

When was the water delivery system constructed?

The raw water collection system was constructed in 1978. In 1909, wood pipes banded with iron were installed that delivered water to the town, and were replaced with metal pipes in the 1950’s.

Will the proposed project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)?

No, the project is for planning purposed only.

Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places?

No, there are no buildings or structures in the area.

Are there any known archeological sites in the proposed project area?

There are no known archeological sites in the area.

Will the proposed project have a disproportionately high and adverse effect on low income or minority populations?

This is a planning project only and will have no effect on any populations.

Will the proposed project limit access to, and ceremonial use of, sacred sites or result in other impacts on Tribal lands?

This plan area is not near any Tribal land.

Will the proposed project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

No, this plan will not involve the introduction or spread of any weeds or non-native species.

Required Permits or Approvals

No permits or approvals are required for the formation of this plan.

Overlap or Duplication of Effort Statement

Part of the data gathering piece of this plan will be overlapping with the hydrogeological study which will be taking place on the side of Mount Lamborn in the same area. The hydrogeological study is funded through different sources but the data from that study will be a part of the final plan that will be compiled for the town. The funding for the hydrogeological study has been secured and is part of the Town’s match for the WaterSMART Strategic Water Plan grant.

No other competing proposals have been written or submitted for a scope of work similar to this grant.

Conflict of Interest Disclosure Statement

There exist no actual or potential conflicts of interest at the time of submission.

Uniform audit reporting statement

We have not received \$750,000 in Federal awarded monies.

SF-LLL: Disclosure of Lobbying Activities (required, if applicable)

We do not have any lobbying activities.

Letters of Support

We have received letters of support and commitment from the USFS, 7 local water companies, and 2 livestock associations. We have further received a letter of support from Delta County, Colorado, where the project is located and the Colorado Department of Natural Resources and State Senators Bennett and Hickenlooper. All letters of support are included as attachments.



Town of Paonia

214 Grand Ave.
Paonia, CO 81428
O: (970) 527-4101
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WaterSMART Water Strategy Grant for Fiscal Year 2023 and 2024

Bureau of Reclamation Funding Opportunity No. R23AS00109



Town of Paonia, Colorado

**Watershed and Water System Strategy Plans for
Resiliency in the Face of Change
October 17, 2023**

Applicant:

Town of Paonia
214 Grand Avenue
PO Box 460
Paonia, Colorado 81428

Project Manager:

Stefen Wynn, Town Administrator
214 Grand Avenue
Paonia, CO 81428
stefenw@townofpaonia.com
970-527-4101

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Technical Proposal

Executive Summary

Date: October 15, 2023
 Applicant Name: Town of Paonia, Delta County, Colorado
 Task Area: A, Water Strategy Grant (New Strategy)
 Applicant Category: A
 Estimated Project Cost: \$500,113
 Grant Funding Request: \$250,000
 Non-Federal Matching Funds: \$250,113

The Town of Paonia (Town) seeks USBR funds to help create a water system strategy plan for our entire water system from our watershed, where our springs are located, to our taps. The system serves 1309 taps (929 in town, 380 out of town) from 32 springs on the side of Mount Lamborn flowing into two basins and supplying two treatment plants. The springs also fill three reservoirs on the mountain and provide water to several ranches which graze cattle on the watershed. The study will investigate the intricacy and relational impacts of the system (the most complex in the State for a town of our size), its interrelated parts and users. The depth of seasonal snowpacks on Mount Lamborn have been erratic and slowly decreasing with hotter and drier summers. Scientific data for this area of the watershed generally indicate a decrease in water yields. The professionals conducting the study will work with local agencies and constituents, including the US Forest Service (USFS), cattle grazers, farmers, and municipal water users, to create a plan that will quantify past trends and predict future rain and snowfall yields, assess the state of the infrastructure, and prioritize infrastructure work necessary to mitigate changes from lengthening droughts and increasing heat, examine wildfire impacts and mitigation methods, as well as methods to preserve the Town’s water rights. This work will add to the Colorado Water Plan database and better focus the Town’s Capital Improvement Plan.

Estimated Completion Date: July 2026

Project Location

Mount Lamborn (38.802521, -107.522671) and the Town of Paonia (38.867900, -107.597900) are in Delta County, Colorado on the North Fork of the Gunnison River. The water system from springs to taps covers approximate 25,000 acres.

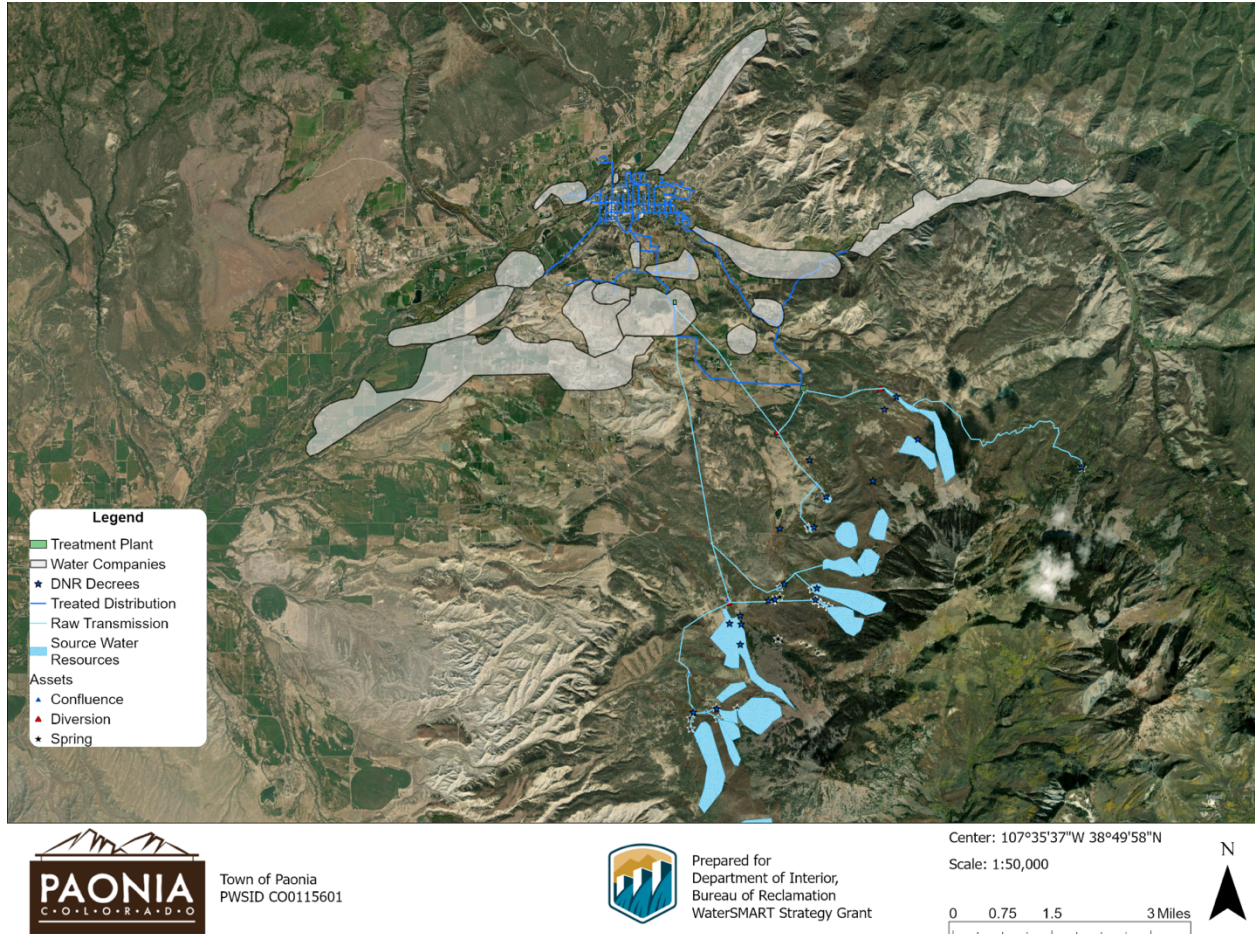


Figure 1: Map of Project Area including Source Water and Water Companies

Project Description

In 2019, the Town of Paonia (Town) suffered a serious water crisis due to infrastructure failure that made national news¹. Residents of the Town had no water for two days, and out-of-town residents up to 23 days. The failure was a combination of broken and leaking pipes and the consequences of a hot dry summer the previous year leaving underground sources in the watershed on the side of Mount Lamborn depleted.

Paonia collects water from spring systems flowing from Mount Lamborn and Land’s End Peak located south of Paonia. This has been the raw water source since the Town’s drinking water system was established in 1909. Raw water is collected from a series of 32 springs located on the northern slope of Mount Lamborn. The springs collection system is comprised of a conglomerate of infiltration galleries, springs collection boxes, PVC and steel gravity collection pipes, overflow boxes, and monitoring locations. All springs used by the Town have been classified as Groundwater under the direct influence of surface water (GWUDI) and therefore require surface water type treatment to convert the raw water into potable water. Because of the existing topography on Mount Lamborn, a portion of the springs can only be collected and

¹ <https://www.npr.org/2019/07/24/744236308/how-a-perfect-storm-cut-off-water-to-this-colorado-town>
Town of Paonia

treated at the upper Lamborn water treatment plant, while another portion can only be collected and treated at the lower Clock water treatment plant. Only some of the raw water produced by the springs is measured. The means to achieve comprehensive and accurate spring monitoring is essential. It will benefit not only the Town but the surrounding areas that are also within this source water system. The springs are vulnerable to surface contamination, drought conditions, and wildfire impacts on water quality.

Paonia’s spring complexes also provide treated water to residential, commercial, and consecutive water systems (water companies). The Town also has surface water rights at a diversion on the North Fork of the Gunnison River, but these are not often used due to higher turbidity levels and distance to the treatment plants. Some commercial and residential properties have access to raw water surface diversions in ditches, providing irrigation water to customers. Ditch water is owned by a private water and ditch companies. Raw surface water used for irrigation helps reduce the demand for treated water.

Snowpacks on Mount Lamborn and Land’s End Peak watershed are decreasing and water yields to the springs flowing downward. While data collected from the Colorado Division of Water Resources and the Town of Paonia are limited and spotty, records for 1993 collected by Consolidated Consulting Services in a 1995 report² compared with data collected by the Town in 2022 show a 52% to 62% reduction in flow in the months of June, July and August, and an increased flow of over 50% during the months of January and February in 2023. These data demonstrate higher temperatures on the mountain, resulting in more melting in the middle of the winter leading to less water retention for summer high-demand months. Delta County, in which Paonia is located, is one of the most prominent climate hot spots in the western U.S., warming over two degrees Celsius³. These factors further lead to increased evaporation on the three reservoirs located in the watershed, leaving less water available for irrigation and cattle.

Crumbling infrastructure adds to the problem. Once a thriving coal and agriculture-based economy, the area has reeled from the closure of two of its three operating coal mines, gutting the source of well-paying jobs and emptying coffers. Funds to replace aging infrastructure are scarce and parts of the infrastructure are 70+ years old. In the municipal water system, from the treatment plants to taps, water loss is calculated at 46%.

The Town is in the approval process for both Drinking and Clean Water Funds to replace its aging water and sewer infrastructure. The Town received grants for a hydrogeology study in the watershed and has invested in leak detection and water meters at the springs. However, these efforts need the support of a broader, more comprehensive plan for the Town and all the people who rely on its water and the others who depend on Mount Lamborn for water.

² Consolidated Consulting Services, *Town of Paonia Reconnaissance Assessment Raw Water Supply*. Delta, CO. 1995

³ <https://www.washingtonpost.com/graphics/2020/national/climate-environment/climate-change-colorado-utah-hot-spot/>

The Town of Paonia needs a holistic, comprehensive, and systemic investigation of its complex water sources to inform an effective strategic water plan that includes the beginning of the source waters to the customer's taps. The plan should include how agricultural use will be affected and benefit ranchers, the ecosystem, ditch owners, farmers, and all water users. Once adopted, the Town will be well positioned to proceed with projects funded by other WaterSMART programs such as Drought Contingency or Drought Resiliency, and other grants as well.

1. Stakeholder Engagement

The first step will be to identify all the stakeholders. Stakeholder identification will include outreach to community organizations, business groups, agriculture users including ranching and farming associations, public lands managers, water districts, HOAs, and other users. A plan will be devised on the best way to engage the disparate individuals and groups who have a stake in this endeavor. Small focus groups, larger community gatherings, exhibits at community events, social media, our local radio station, and a project website, are envisioned. Efforts will be made to ensure that all voices are heard. It is anticipated that draft and final documents will receive public review and input.

2. Analyses, Scoping and Planning

The plan will complete project components in the following steps, albeit not necessarily in this order:

Technical Analyses to Identify Problems, Needs and Opportunities

- Engineers will conduct the hydrological investigation and analysis beginning in early 2024, focusing primarily on the watershed.
- An assessment of existing infrastructure options for improvement was completed by JDS Hydro Consultants, Inc. and SGM in 2021. However, the collection pipes in the watershed and those leading to the treatment plants were not included in the prior assessments. A raw water collection line hydraulic analysis and survey of the raw water collection system will need to be completed for the plan. Any need for additional metering and locations for those meters will be investigated. Water modeling to support a town development plan under the new comprehensive plan should be developed.
- The public works department has noted some watershed degradation. Restoration and mitigation of future damage recommendations will be included. Mitigation measures for climate change impacts, including the increasing danger of wildfire and nature-based solutions to improve the holding capacity of the aquifer, will be included. Wildfire mitigation efforts are of particular importance as the treatment plants currently do not have the capacity to deal with volatile organic compounds post wildfire.

Water Marketing and Water Rights Analyses

- Financial and economic impact analysis regarding infrastructure improvement projects and their effects on the Town will be done. Rate studies will need to be conducted to determine the implications of increases on the consumers of the system examined over a minimum of five years. Attention must be paid to the effects of increasing rates on a household’s ability to afford essential needs.

- Funding recommendations, including specific grant programs, loan opportunities, and other financial supports to best facilitate implementation will be included in the plan.
- The Town is served by a conglomerate of water rights which has been assembled over the course of almost 140 years. The source of most water rights emanates from a complex network of springs or raw water pipelines at diversions located on Mount Lamborn Mesa. A water rights list was most recently compiled in April of 2023. However, more extensive work needs to be performed to ensure that all the adjudicated rights are secure and adequately maintained, that the apportionments are correct and enforceable.
- Previous Town leadership sold hundreds of water taps to a landowner with an agreement that primarily benefits private interests. They have never been used. Honoring those taps will be extremely expensive for the Town. An in-depth legal analysis of how to address this situation will be included.
- An economic and community assessment of the impacts of future changes must be performed. Any changes to the watershed need to be analyzed considering the environmental impacts on the ground, water, and wildlife and the ranchers and farmers who rely on the land to provide food.

Research of Legal and Institutional Requirements

- For any projects proposed in the plan, permits and environmental assessments will need to be taken into consideration as to cost both in time, money, and resources.

Analyses of Needs for Decision Support Tools

- The 2021 Water System Evaluation included a preliminary dashboard and database to help organize and collect water data for analysis. This system was rudimentary. Recommendations and implementation work for more effective and robust monitoring and data collection will be included in the plan, as well as updated supervisory control and data acquisition software (SCADA) and metering improvements.

Development and Comparison of Project Alternatives

- After data collection and analyses are completed, the needs of the system and possible alternatives will be organized in a decision matrix and the alternatives compared. This comparison may include variables such as financial impact, priority based on need, priority based on state and federal regulatory compliance, implementation schedules, community preferences. Input from all the stakeholders will be solicited and their ideas incorporated into the final decisions.
- A final list of prioritized projects will be generated and presented to the Town and stakeholders.

3. Water Strategy Document will contain:

- The records of stakeholder meetings and a summary of their results
- A summation of all technical analyses (engineering, fiscal, marketing, water rights, legal, institutional, community benefits, environmental, and decision support)
- A statement of problems and needs
- Project opportunities, constraints, and a comparison of alternatives
- An implementation strategy
- A discussion of lessons learned.

Evaluation Criteria

E.1.1 Criterion A: Project Benefits (35 points)

Threats to water supply, water quality, and river-based ecosystem or watershed health within the geographic area:

Our area survives on the health of the Mount Lamborn watershed. The amount of precipitation has decreased in the last four decades. The four-year average (1988-1991) of 43.5 million gallons (mg) flowing monthly from May through October into the Towns treatment plants has diminished to 27.8 mg from 1999-2000. The snow is melting earlier such that flows averaging 5.6 mg from January through March 1988-1991 have increased to 13.7 mg in the same months (1999-2000). In Delta County, Colorado, average temperatures have risen over two degrees Celsius making it, along with three other counties in Western Colorado and Utah, the largest climate hot spot in the lower forty-eight states⁴. The increase in temperatures intensifies the rate at which the snowpack melts resulting in less water available during the summer for irrigation, agriculture, commercial use (wineries, food production), and domestic use. It also stresses ecosystem of the mountain watershed, degrading it, and resulting in vegetation die off and, thus, less water holding capacity. The U.S. Drought Monitor shows Delta County (highlighted) in moderate to severe drought.

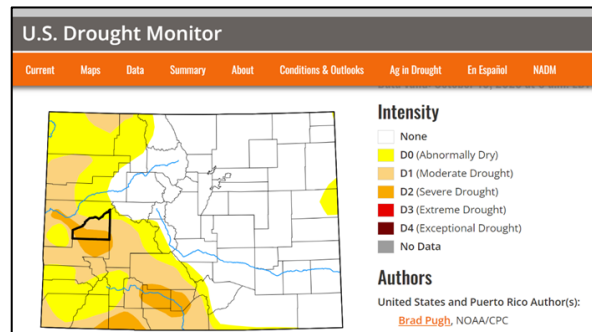


Figure 2: US Drought Monitor Map, Brad Pugh, NOAA, released Thurs. October 12, 2023

To exacerbate the situation much of the Town’s water collection and distribution system is old and in need of replacement. Water loss in the system currently stands at 46% despite efforts to track and fix as many leaks in the distribution system as possible. The infrastructure has not been assessed on the collection side and is missing and inadequate in critical places, such as spring collection boxes which are collapsing or in disrepair. There is no way to measure how much water loss occurs before the water reaches the treatment plants as the springs are not yet in a condition where they can be accurately metered. The Town’s people voted to place a water tap sales moratorium including a prohibition on the extension of existing water lines to new construction or other buildings on a property. This is a stop gap measure. Colorado law does not encourage extended moratoriums, and the problems discussed in this application must be

⁴ <https://www.washingtonpost.com/graphics/2020/national/climate-environment/climate-change-colorado-utah-hot-spot/>

resolved before it can be lifted. Outside Town limits, there is no easy way to monitor and control activities in the water companies as they are privately owned.

How threats impact specific water users or sectors in the geographic area

The status of Paonia’s water system poses significant hazards to the town residents and businesses, as well as the farmers and ranchers who are dependent on the watershed. For residents of the Town and the 26 consecutive water companies (a total of 1309 active taps) that rely on Town of Paonia water, this is a matter of public health and safety. This is their only source of potable water. The Town has already had one significant water outage in 2019 due to infrastructure failure that lasted several days for Town residents and weeks for out-of-town water users. The diminishing snowpack and rainfall throughout the year results in less water for residents in the valley and the surrounding area. These two issues, fragile infrastructure, and diminishing water supplies, put the Town at serious risk of being unable provide clean and safe drinking water reliably in the future.

The decrease in water supply also significant impacts ranchers and farmers. Agriculturalists relying on ditch water from the Lamborn watershed are in grave danger of losing their irrigation water. In 2020, ditches from Lamborn only ran for a few weeks due to a sparse snowpack and hot summer. Fields were fallowed, hay crops produced only one cutting and animals were sold off early and at half weight.

While the downstream effect of the decreasing snowpack has serious consequences for all users, the effects on the watershed is also dramatic and devastating. As the soils dry more thoroughly with hotter, drier summers, the rain that does fall cannot soak into the ground and remain to sustain the covering vegetation. Instead, it runs off the dry ground creating erosion and carrying off silt and soils into the valley, mucking up streams and silting in reservoirs. Drought conditions have also put the watershed at higher risk for wildland fire events.

How the planning project will help address the threats to water supplies and water users

To quote the US Department of Energy: “A successful water management program starts with a comprehensive strategic plan.”⁵ Establishing a comprehensive water system strategy plan for Paonia’s entire water system will benefit Town water users and help all water users by keeping the water in the watershed where possible and promoting watershed health.

Users of Paonia water will benefit from an in-depth examination of all facets of the watershed and how it interplays the Town’s water system. We need to know which parts are functioning well, which parts need attention and how soon, how to best mitigate the effects of climate change and how best to address wildfire issues. This will help us continue to provide a reliable supply of clean, safe drinking water and raw water for irrigation as long as possible. More specifically, users will benefit from the strategy because it will:

⁵ <https://www.energy.gov/femp/best-management-practice-1-water-management-planning#:~:text=The%20plan%20provides%20information%20about,that%20provides%20the%20biggest%20impact.>

- ◆ Provide coordination and increased communication among users and partners such as public lands managers and water districts.
- ◆ Assist the Town and other water providers in creating a capital plan that identifies priority projects, timeframes, and costs so that they may be better fiscal managers of public funds.
- ◆ Respect low to moderate income families’ economic capacity by evaluating fee schedules and system rates.
- ◆ Better understand the impact of drought on this water system and adjacent public lands with respect to wildfire risk.
- ◆ Improve the reliability of the drinking water supply.
- ◆ Provide a water management plan which should lead to the modernization of the community’s water system including updated decision tools.
- ◆ Provide a foundation for grant seeking for capital projects to improve the water system.
- ◆ Better understand how to sequester water on the mountain to combat the effects of hotter summers and climate change.
- ◆ Collaborate to avoid water conflicts and seek solutions beneficial to all.

Tribe or Disadvantaged Community water supply

This plan is not for the purpose of providing water for any Tribe, insular area, or fully disadvantaged community under E.O. 14008 and E.O. 13985. The Town of Paonia is recognized by the State of Colorado Department of Public Health and Environment as an economically disadvantaged community due to the larger number of households living below median income. The Climate and Economic Justice Screening Tool through the US Council on Environmental Quality does identify two categories in which Paonia does meet disadvantaged. Those include expected population loss rate (97%) and abandoned mine lands (no percentile listed).

Nature-based feature improvement

Our planning effort includes a forested watershed which is located on the side of Mount Lamborn. It covers approximately 8,900 acres and ranging from 6,500’ to 8,500’. Most of the 32 springs that feed the Town of Paonia’s water system lie at about 7,800’. The plan could possibly indicate the building of “fake” beaver dams, or improvement of our springs collection. For example, as the snowpack melts, the springs out produce the carrying capacity of the infiltration galleries and transmission pipes. Consequently, the run-off travels down access roads causing erosion instead flowing down their natural tributaries. This fragments the surface water connectivity and bypasses wetlands which have potential for groundwater storage.

Is project for the purpose of existing environmental mitigation or compliance obligations under Federal or State law?

No, this project is not for the purpose of any existing environmental mitigation or compliance obligations.

E.1.2 Evaluation Criterion B: Inclusion of Stakeholders, Stakeholder Support, and Previous Planning Efforts (25 points)

Why is area significant and appropriate for the proposed planning activity?

While the area of this plan is not large, about 25,000 acres, it is home to one of the best producing organic farming areas in the State of Colorado. Our farmers supply restaurants as far away as Telluride, Glenwood Springs, Delta, and Aspen - almost a hundred-mile radius. Their abundance is such that free food boxes are supplied to our senior population throughout the summer. Paonia’s vineyards have been touted in such publications and US News and World Reports and the Valley called the “Provence” of America.⁶ After three of our four coal mines shut down eight years ago, devastating our economy with the loss of jobs and income, we have worked very hard to revitalize our home into a place where people come to enjoy the fruits of our harvests, the beauty of our region, our music and arts and the small town ambiance. We are hub for hunters who come from around the county to experience the mountains and game of our surrounding forests. Ecotourism is also a significant draw with mountain bikers using the recently approved Jumbo Mountain BLM Recreation Area, hikers exploring the plethora of trails and nature lovers coming just to spend time in the quiet of beautiful valley.

All these special resources in our Valley are owned by a very diverse group of land interests. Whereas many jurisdictions are a single political unit, the Town’s watershed is managed by private water companies; individual landowners; local government, and state and federal land agencies. The size of the geography is not as important as its diversity. Supporting water strategy planning is not a simple task with a very broad stakeholder group.

The area cannot continue to support tourists and its changing economy if we do not address our crumbling infrastructure decreasing water supplies. We must have a plan.

Previous water planning efforts

In May of 2021, JDS Hydro Consultants, Inc. (d.b.a., RESPEC) completed a rudimentary water system evaluation commissioned due to the 2019 system failure. It examined the entire system but did not take into consideration the impacts of increasing temperatures, decreases in snowpacks, fire dangers, and deterioration of infrastructure in the watershed. This plan was not developed in a collaborative process with multiple stakeholders as it was focused on the internal needs of the Town of Paonia at that time. Any future comprehensive planning effort must involve all stakeholders to create a collaborative focus among the Town’s differing opinions regarding water management and those of the surrounding area.

Identify stakeholders who have committed to be involved in the planning process.

The Town has reached out to all of those who use or have a stake in the watershed on the side of Mount Lamborn, who utilize the water that is produced by that watershed, or who use or buy water from the Town. Everyone spoken to has been enthusiastic about the creation of a holistic plan and happy to engage. However, not everyone was able to send letters of support in the short time between notification and the grant deadline. The letters sent as follow up are included as attachments. Below is the list of contacted organizations:

⁶ Huber, Thomas Patrick. 2011. *An American Provence*. Boulder: University Press of Colorado.
Town of Paonia
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| Water Companies | | | |
|---|------------------------------------|-----------------------------|-------------------------|
| Apple Blossom Estates | Eastgate Waterline* | Hammond Pipeline | Lamborn Mesa Water |
| Burgess Water Co.* | Foothills Water Co.* | Hawks Haven Water | Minnesota Pipeline* |
| Cedar Hill Water Company | German Creek West Water Assn | Hidden Valley HOA* | North Fork Trailer Park |
| Cedar Hill Water Company 2 | German Mesa Waterline | Jumbo Mountain Water | Rusty Pipe Association |
| Chapin Pipeline Association | Gillenwater, Dale | Lamborn Drive Water Assn | Shaft Water Company |
| Creekside Water Company | South Lamborn Mesa Water* | Stewart Mesa Water Company* | West Paonia Domestic |
| Western Extension Domestic (<i>verbal commitment</i>) | Whistling Acres/ Minnesota Creek | | |
| Water Districts | | | |
| Bone Mesa Water Dist.* | | | |
| Ditch Companies | | | |
| Turner Ditch Co.* | Lone Cabin Ditch Co.* | | |
| Ranchers | | | |
| West Elk Livestock Assoc* | | | |
| Mt. Lamborn Livestock, LLC* | | | |
| Counties | | | |
| Delta County# | | | |
| Federal Agencies | | | |
| USFS* | | | |
| Municipalities | | | |
| Town of Paonia | | | |
| State of Colorado | State Senatorial | | |
| Dept of Natural Resources# | Senators Bennett and Hickenlooper# | | |
| * Letter of support and commitment # Letters of support | | | |

Describe stakeholders in the planning area who have expressed their support for the planning process, whether or not they have committed to participate.

The timeframe between the identifying this grant opportunity and gathering letters of support from the stakeholders was very short. Although all were contacted by email or phone, information was not available for at least one water company, and two of the presidents of the water companies were out of town. Everyone contacted expressed support for the planning process though not everyone was able to commit to the participation of their members. This was especially true of the water companies, some of whom have up to 60 taps and users. The ranchers

were pleased to hear about the efforts, as well as the ditch companies. The USFS was especially pleased to see that a planning effort was taking place.

We received 7 letters of support and commitment from the Water Companies, one verbal commitment of participation, a letter of support and commitment from the USFS, the West Elk Livestock Association and Mt. Lamborn Livestock LLC, The Bone Mesa Water District, Turner and Lone Cabin Ditch Companies, a letter of support from Delta County, the Colorado Department of Natural Resources, State Senators Bennett and Hickenlooper, and approval by the Paonia Town Board of Trustees. All letters are attached (Attachment 1) as well as minutes from the October 10, 2023 Paonia Town Board Meeting (Attachment 2).

Describe what efforts the applicant will undertake to ensure participation by a diverse array of stakeholders in the development of a plan (or plan update).

All the water companies, the USFS, the ditch companies, the ranchers, and all other users of water from Mount Lamborn will be contacted and informed of stakeholder meetings. Our area is small enough that phone numbers and other contact information can be obtained for the key stakeholders in the watershed. The citizens of the Town will be informed through the Town’s website, postings at Town Hall, announcements during Town Board Meetings, postings on social media message boards, and through the radio and local print media.

Several meetings will be held at different times and places both inside and outside of Town to ensure that participation is facilitated. If organizations or water companies cannot make meetings, contractors can attend the meetings of their boards. Contacts will be maintained during the planning process and other participants identified as they come to light.

Is there opposition to the proposed planning effort? If so, describe the opposition and explain how it will be addressed.

Every person and organization contacted has expressed support for the process.

E.1.3 Evaluation Criterion C: Ability to Meet Program Requirements (20 points)

Program Specific Requirements (Attachment 1)

Required Project Component 1: Outreach and Partnership Building

In a small area such as Paonia, ensuring that all vested interests are included in the planning efforts is essential. After identifying the key players in the area, the first step will be to formulate a plan for contacting and engaging productively each of the participants. Once a plan is made outreach will be conducted through focus groups, open houses, community event booths, a project website, or workshops to provide information and gather input. It is anticipated that meetings will take place on ranches; on the National Forest; at community events; in small businesses rather than the typical setting used by most local governments. Child-care and food as well as flexible meeting times and the need for bi-lingual services will be considered. A draft strategic plan will be provided to all the stakeholders and other interested parties when completed for their comment and input. These comments will be integrated into the final document.

Already the Town has reached out to the 26 water companies, the Turner and Lone Cabin Ditch Companies, the Bone Mesa Domestic Water District, Delta County, the US Forest Service, and

local ranchers to ask for their support and participation in the plan. These stakeholders were very excited to be part of the process, and many sent letters of support included in the attachments.

Required Project Component 2: Analysis, Scoping and Planning Activities

a. Analysis of Problems and Needs:

The Town of Paonia has contracted for a hydrogeological study of the rock formations on the side of Mount Lamborn to understand the characteristics of the aquifers that spatially and temporally feed the spring systems. The objective is to increase raw water seasonal carryover volume by recharging groundwater resources. This will extend the volume and reliability of water throughout the year and improve source water quality for more efficient treatment. The study will investigate the interaction of groundwater with surface creek water and wetlands meadows and develop overall strategies for sustainably managing water resources. Ice, snow, and depression storage areas will be mapped and defined, and innovative approaches to enhance watershed resilience and secure municipal potable supply, benefit agricultural producers, and recreation will be described.

In addition to this analysis, the Town needs an assessment of potential infrastructure improvements to increase water conservation and efficiency and opportunities for new drought strategies, including nature-based solutions.

b. Identification of Potential Opportunities and Comparison of Alternatives, and Prioritization of Project Concepts:

With so many pressing issues facing the Town of Paonia, changes must be prioritized. Projects must be implemented in the most timely, practical, and cost-effective manner. Addressing the decreasing water supply, either through the loss of water through leakage or the loss of moisture falling on the mountain, may not be the most productive use of the Town’s time and money if the strategic plan recommends better alternatives. This is one of the most important outcomes of the plan.

A set of variables for comparing alternatives will be developed. Specifically, fiscal capacity and constraints; partner contributions; public health and safety; community buy-in; regulatory compliance; environmental and historical resource impacts; community economic impacts and short-, medium-, and long-term horizons are being considered. In some cases, the no-action alternative can be acceptable.

c. Development of Strategy for Moving Forward with Project Concepts:

Formulating a strategy and work plan for recommended improvements and practices is essential. The work plan will recommend steps and establish estimated timelines for completion. Parties responsible for ensuring the implementation of the plan progress will be identified, and possible funding sources will be detailed. Opportunities and constraints will be included in the process.

Required Project Component 3: Development of a Water Strategy Document.

Outreach Summary

The document will memorialize stakeholder outreach efforts, concerns, and ideas and summarize conclusions. An outreach plan will be included. The meetings' and other discussions' dates and contents will be included and incorporated into the final document.

Statement of Problems and Needs

A summary of the work will cover opportunities and challenges, including the issues identified, the severity of those issues, and their relevance to the water users in the area. Recommendations to resolve those issues will conclude this statement. Preliminarily identified are issues related to water reliability; failing water infrastructure; lack of a coordination planning tool; an outdated and inadequate decision-making tool; and wildland fire risk.

Project Opportunities and Comparison of Alternatives

The issues identified in the work summary will include options for resolving them, focusing on describing the best alternatives. These solutions will be compared and prioritized according to cost/benefit, applicability, and effectiveness. The most effective and feasible recommendations will be highlighted.

A matrix addressing all the variables being considered in the alternatives will be developed. As stated above, variables to assist in the selection of a preferred alternative may include fiscal capacity and constraints; partner contributions; public health and safety; community buy-in; regulatory compliance; environmental and historical resource impacts; community economic impacts and short-, medium-, and long-term time horizons are being considered. In some cases, a no-action alternative may rise to the fore. This is an acceptable option only if public health and safety and environmental concerns are addressed.

Implementation Strategy

The final plan will be vetted through the stakeholder groups and the public. It will be taken to the Board of Trustees and the prioritized projects presented. The Board will decide, based on the recommendations in the plan, which project(s) it would like to pursue. The Town Administrator will then add these projects to the Town’s Capital Improvement Program for approval by the Trustees. Staff will create a funding strategy for priority projects which will include future Town budgeting; partner contributions; and public and private grant opportunities. These may include grants for additional studies; project design and engineering; and construction. The Town anticipates looking specifically at future USBR WaterSMART opportunities.

Any permitting, environmental or historic resource studies, land or water rights acquisition, will need to be completed as part of the process as well. Stakeholders will be identified and engaged and asked to commit to the project. Once funds have been obtained, RFPs will be written, and the projects will go forward according to grant and all other requirements. The project will ultimately be overseen by the Town Administrator, but under him/her by the Public Works Director and on-site by the contractor and any other State or Federal agency involved.

Even with the formulation of a comprehensive plan, there is no guarantee of follow through. As Boards of Trustees change with elections and priorities of Boards change, the necessity of the projects may not be seen as imperative to a new Board, and they may not choose to move forward on the plan. Another barrier to implementation is the availability of funding. Many infrastructure projects are costly and small communities do not have the ability to pay for such projects out of their limited budgets. As funds from the Bipartisan Infrastructure Law and the Inflation Reduction Act expire, resources for such projects may also dry up making it difficult to complete expensive projects. The ability of a community to absorb more debt or higher use fees

is also a concern. The capacity of small communities to manage grants and contracts with only a few staff causes stress on the administration and often requires additional contractors to assist with project management; grants and contracts monitoring; and fiscal reporting.

Discussion of Lessons Learned

The final section of the plan will examine how the process benefitted the Town, the stakeholders who participated, and the lessons learned through the plan's development. If any feedback is identified for the Department of Reclamation, it will be included and shared with the Department. A summary of the work completed by the hydrogeology study will also be included.

Approach to Meet Applicable Program Components and Requirements

Preliminary Project Schedule

July 1, 2024 Award Date

| Task # | Task Description | Responsible Party | 24 | | | 25 | | | | | | | | | | | | 26 | | | | | | | | |
|--------|----------------------|-------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| 1 | Admin set up | Town Admin | █ | █ | █ | | | | | | | | | | | | | | | | | | | | | |
| 2 | Stakeholder Outreach | Consultant team | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 3 | Needs Assessment | Consultant team | | | | | | | | | | | | | | | | | | | | | | | | |
| 3a | In-town/valley | Consultant team | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | | | | | | | | | | |
| 3b | Watershed | Consultant team | | | | | | | | | | | | █ | █ | █ | █ | | | | | | | | | |
| 4 | Analysis | Consultant team | | | | | | | | | | | | | | | | | | | | | | | | |
| 4a | Needs/Opportunities | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | | | | | |
| 4c | Prioritize | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | | | | | |
| 4d | Strategy | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | | | | | |
| 5 | Write Document | Consultant team | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ |
| 5b | Present to Town | Consultant team | | | | | | | | | | | | | | | | | | | | | | | | █ |

Task 1 Project Mobilization Responsible Party: Town Administrator, Clerk

- 7-9-24 Present to Paonia Town Board of Trustees for acceptance of grant
- 7/10-12/24 Set up systems in Town Administrative Office to track grant and fulfill all grant requirements.
- 7/31/24 Publication Date of Consultant RFP
- 8/30/24 Proposal Deadline
- 9/16/24 Consultant Finalist Interviews
- 9/24/24 Board of Trustees Approval of Contract
- 9/25/24 Kickoff meeting with Consultant and Town Administrator
- 9-25-24 Milestone 1 – Grant Consultant Hired**

Task 2 Stakeholder Outreach Responsible Party: Consultant Team

- 2a 9/30/24 Create Outreach Plan
- 2b 10-12/24 Outreach Stakeholder identification
- 2c 10/12/24 to 12-15-24 Stakeholder meetings
- 12-15-24 Milestone 2 – Initial outreach plan and meetings completed**

Task 3 Needs Assessment Responsible Party: Consultant Team

- 3a 1/15/25 Begin assessment of water system in valley
- 3b 5-1-25 Begin assessment of water system in watershed and on slopes of Mt. Lamborn
- 9-30-25 Milestone 3 – Data gathering completed**

Task 4 Analysis Responsible Party: Consultant Team

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- 4a 10-3-26 Begin analysis of data.
- 4b 1-3-26 Prioritize needs and identify projects
- 4c 1-3-26 Develop possible strategy
- 4d 1-15-26 Begin to present findings to stakeholders and gather input on findings

Task 5 Write Strategy Plan Document *Responsible Party: Consultant Team*

5-25-26 Milestone 4 – Strategy Document Completed

5a 6-1-26 Present final document to Stakeholders

5b 7-14-26 Present to Paonia Board of Trustees

7-14-26 Milestone 5 – Study Completed

Existing Data and Models and Staff Expertise

1. The Town of Paonia commissioned a water system evaluation and received a report from JDS Hydro Consultants, Inc. (d.b.a., RESPEC) in May of 2021 which examined the water system including the springs and infrastructure. It will be available for the consultants.
2. An Asset Inventory/Capital Improvement Plan was completed for the Town by SGM in September of 2021 and will be available for the consultants as well.

Both documents are of high quality with caveats about the underlying water flow data which is sparse and spotty for the water system. Accurate and ongoing record keeping for water flows has only occurred since 2021 and this we hope to help rectify with future projects.

The project will ultimately be overseen by the Town Administrator, Stefen Wynn, and under him by the Public Works Director, Cory Heiniger. The Public Works department water staff, Jorden Redden and Jeremiah Garcia, are very knowledgeable about the water system and its functioning. They both hold Class S water treatment operator’s licenses and will be available to the consultants. SGM and RESPEC are contractors for the town and can be available to the consultants.

Describe any new policies or administrative actions required to implement the plan or project being designed.

No new policies or administrative actions are needed to implement the plan.

E.1.4 Evaluation Criterion D: Presidential and DOI Priorities (15 points)

Sub-criterion No. D1: Climate Change

Delta County, where Paonia is located, is one of the climate change hot spots in the western United States. One of the focuses of our plan is to examine how the Town can mitigate increasing temperatures and decreasing water yields to improve the holding capacity of the watershed. Climate change issues to be resolved by the plan include reducing the effects of drought, mitigating the chance of wildfires that can denude our watershed and destroy our water infrastructure, and improving our infrastructure to ensure we utilize every drop of water collected. By collaborating with the other water users in the watershed, this plan will help us find solutions that will benefit all and help us manage resources better.

Specifically, we are looking for a plan to identify water loss in the system to reduce our current water loss from 46% to less than 10%, for a plan to upgrade old, leaking infrastructure, and for a

plan which is resilient, timely and beneficial in helping the water system deal with the changes already happening.

Sub-criterion No. D2: Disadvantaged Communities

While the Town and surrounds are not considered disadvantaged or underserved by E.O. 14008 and E.O. 13985, 18% of our population lives under the poverty line and 24% of our residents are seniors, on a fixed income, who make up almost a third (29.5%) of our population (American Community Survey 2021). While Paonia is not designated fully disadvantaged under The Economic Justice Screening Tool published by CEQ, it does have two justice criteria that meet the threshold. They are expected loss of life and mine lands. The Town also qualifies as disadvantaged under the Colorado Drinking Water State Revolving Loan Fund (SRF).

We are a Town of 1,447 people. Though it is not reflected in the zip code statistics, 46% of the people who actually live within the town boundaries and who will bear the brunt of the costs of these repairs have annual incomes in the low to moderate income level according to the Colorado State Demographer’s Office. The Town’s median income is \$53,646 as compared to a state average income of \$80,184 (2017-2021 American Community Survey 5-Year Estimates). We are not rich, nor do we have deep pockets. Most of the people here live either from paycheck to paycheck or from summer income to summer income, due to the prevalence of only the available work being seasonal. We have applied for an SRF loan in the amount of \$5.5 million. Repaying this loan is going to result in multiple water rate increases in the coming years that will hit the bottom earners and those on a fixed income the hardest. And this loan is addressing only three projects in a list that will conservatively cost another \$20 million in today’s dollars. Having clean, reliable water in their homes without having water rates continually rising would greatly benefit all the people who live in Town and are served by the Town’s water system. A comprehensive plan will direct us to timely and economical solutions.

E.1.5 Evaluation Criterion E: Nexus to Reclamation (5 points)

We have no nexus to any Bureau of Reclamation project or activity.

Project Budget

We are applying for a Water Strategy Plan under Category A, a new plan. The total plan cost is \$500,113. The Town is contributing \$77,140 in cash and in-kind services, and three other granting agencies are contributing \$152,973. The Town is absorbing all administrative costs for this grant and not asking for reimbursement.

Table 1. —Summary of Non-Federal and Federal Funding Sources

| FUNDING SOURCES | AMOUNT |
|--------------------------------------|---------------|
| Non-Federal Entities | |
| 1. CO Water Conservation Board | \$ 122,973 |
| 2. CO River District | \$ 25,000 |
| 3. Gunnison Basin Roundtable | \$ 25,000 |
| 4. Town of Paonia | \$ 77,140 |
| Non-Federal Subtotal | \$ 250,113 |
| REQUESTED RECLAMATION FUNDING | \$ 250,000 |

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The funds from the Colorado Water Conservation Board, the Colorado River District and the Gunnison Basin Roundtable have been obtained. They are committed for the Hydrogeological Study of Paonia Spring Complexes, which is integral to this proposed plan. The Town committed \$75,000 to the Hydrological Study in 2023. The Town Board of Trustees authorized submission of the WaterSMART grant at their Board meeting on 10-10-23 with a commitment of \$2,140 in in-kind work by staff. Minutes of the meeting are included as an attachment.

Environmental and Cultural Resources Compliance

Will the proposed project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)?

The planning component of this project will not disturb the surrounding environment. The hydrogeologic study will not have negative impact on the environment. All the field work being done will be minimal with metal rods for 2DR geophysical work on the side of Mount Lamborn at various altitudes between 6,500’ and 8,500’. All-terrain vehicles will carry the equipment to the sites and will cross over undisturbed ground.

Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area?

There are no known species that are listed or proposed to be listed as Federal threatened or endangered species in this area or designated critical habitat.

Are there wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdictions “Waters of the United States”?

There are no wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdictions “Waters of the United States”.

When was the water delivery system constructed?

The raw water collection system was constructed in 1978. In 1909, wood pipes banded with iron were installed that delivered water to the town, and were replaced with metal pipes in the 1950’s.

Will the proposed project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)?

No, the project is for planning purposed only.

Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places?

No, there are no buildings or structures in the area.

Are there any known archeological sites in the proposed project area?

There are no known archeological sites in the area.

Will the proposed project have a disproportionately high and adverse effect on low income or minority populations?

This is a planning project only and will have no effect on any populations.

Will the proposed project limit access to, and ceremonial use of, sacred sites or result in other impacts on Tribal lands?

This plan area is not near any Tribal land.

Will the proposed project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

No, this plan will not involve the introduction or spread of any weeds or non-native species.

Required Permits or Approvals

No permits or approvals are required for the formation of this plan.

Overlap or Duplication of Effort Statement

Part of the data gathering piece of this plan will be overlapping with the hydrogeological study which will be taking place on the side of Mount Lamborn in the same area. The hydrogeological study is funded through different sources but the data from that study will be a part of the final plan that will be compiled for the town. The funding for the hydrogeological study has been secured and is part of the Town’s match for the WaterSMART Strategic Water Plan grant.

No other competing proposals have been written or submitted for a scope of work similar to this grant.

Conflict of Interest Disclosure Statement

There exist no actual or potential conflicts of interest at the time of submission.

Uniform audit reporting statement

We have not received \$750,000 in Federal awarded monies.

SF-LLL: Disclosure of Lobbying Activities (required, if applicable)

We do not have any lobbying activities.

Letters of Support

We have received letters of support and commitment from the USFS, 7 local water companies, and 2 livestock associations. We have further received a letter of support from Delta County, Colorado, where the project is located and the Colorado Department of Natural Resources and State Senators Bennett and Hickenlooper. All letters of support are included as attachments.

Budget Narrative File(s)

* **Mandatory Budget Narrative Filename:**

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

To add more Budget Narrative attachments, please use the attachment buttons below.

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)

**WaterSMART Water Strategy Grant for Fiscal Year 2023 and 2024
 Bureau of Reclamation Funding Opportunity No. R23AS00109
 Town of Paonia, Colorado
 Watershed and Water System Strategy Plans for
 Resiliency in the Face of Change**

Budget Narrative

Budget Summary

| Summary | | | |
|---|------------------|--------------------------|------------------------------|
| Figures in this summary table are calculated from entries made in subsequent categories, only blank white cells require data entry. | | | |
| 6. Budget Object Category | Total Cost | Federal Estimated Amount | Non-Federal Estimated Amount |
| a. Personnel | \$0 | | |
| b. Fringe Benefits | \$0 | | |
| c. Travel | \$0 | | |
| d. Equipment | \$0 | | |
| e. Supplies | \$0 | | |
| f. Contractual | \$500,113 | | |
| g. Construction | \$0 | | |
| h. Other Direct Costs | \$0 | | |
| i. Total Direct Costs | \$500,113 | | |
| i. Indirect Charges | \$0 | | |
| Total Costs | \$500,113 | 250,000 | \$250,113 |
| Cost Share Percentage | | 50% | 50% |

Section B – Budget Categories

6. Object Class Category

a. Personnel \$0

Project Manager: Stefen Wynn, Town Administrator

Mr. Wynn will manage the project from an administrative position, ensuring that all contractors perform in accordance with the terms of their contracts, ensure deliverables arrive on schedule and are of the quality expected, that all billing is timely and up to the standards required. The Administrator will also ensure that all reporting requirements are met on time. The Town is absorbing all administrative costs for this grant and is not seeking reimbursement for them.

b. Fringe Benefits \$0

Not applicable

c. Travel \$0

Not applicable

d. Equipment \$0

Not applicable

e. Supplies \$0

Not applicable

f. Contractual Total: \$500,113

All contracts will be put out to bid utilizing the Town’s Purchasing Policy (Attachment 3: Town of Paonia Purchasing Policy). RESPEC formulated the estimated scope of work and the cost for the project except for the Hydrogeological Study. Wright Water Engineering formulated the scope of work and the cost for the Hydrogeological Study.

| Contractor Name | Services and necessity of each to the project. | Total Cost | Description of Costs | Basis of Costs |
|---|--|-------------------|-----------------------------|---|
| Primary Engineering Firm RESPEC *detailed estimate below | Required program components including technical assessments, technical analyses, tools, decision support tools | \$182,500 | Personnel costs, travel | Hourly rates based on average rates for all personnel occupying these positions, travel based on estimated room rates and travel reimbursement rates and per diem |

| | | | | |
|--|--|------------------|--|---|
| Town of Paonia - Masterplan Contract Extension | Outreach support and supplies, needed of creation of stakeholder engagement plan and involvement | \$12,500 | personnel costs | Engineering Opinion of Probable Cost, Basis - existing contract |
| Town of Paonia Water Rights Counsel | Investigate complicated Town of Paonia Water Rights | \$25,000 | personnel costs | Engineering Opinion of Probable Cost, Basis - existing contract |
| Timberline | Create SCADA Improvement Alternatives | \$10,000 | personnel costs | Engineering Opinion of Probable Cost |
| Wilmore and Company | Aerial Surveying Raw Water Collection Lines and creation of map | \$20,000 | personnel costs | Engineering Opinion of Probable Cost, Basis - Solicitation. |
| Wright Water Engineers **detailed description below | Hydrogeologic Study of Spring Network | \$250,113 | personnel costs, travel, report production | Basis - Solicitated Proposal |
| Subtotal | | \$500,113 | | |

g. Construction \$0
Not Applicable

h. Other Direct Costs \$0
Not Applicable

i. Total Direct Costs \$500,113

j. Indirect Costs \$0
Not Applicable

k. TOTAL \$500,113

***RESPEC Detail Cost Breakdown**

| Position Title | Time (Hrs or %) | Rate (Hr or Salary) | Total Cost | Rate Basis | Comments (as needed) |
|---|------------------------|----------------------------|-------------------|----------------------------|---|
| Principal Engineering - Y1 | | | | | |
| Required Project Components | 25 | \$155 | \$3,875 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$155 | \$1,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$155 | \$1,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 5 | \$155 | \$775 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Principal Engineering - Y2 | | | | | |
| Required Project Components | 25 | \$155 | \$3,875 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$155 | \$1,550 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$155 | \$1,550 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 5 | \$155 | \$775 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Project Manager/ Snr Engineer TBD - Y1 | | | | | |
| Required Project Components | 50 | \$140 | \$7,000 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$140 | \$1,400 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|----|-------|----------------|----------------------------|---|
| Water Marketing and Water Rights Analysis | 20 | \$140 | \$2,800 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 40 | \$140 | \$5,600 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Project Manager/ Snr Engineer TBD - Y2 | | | | | |
| Required Project Components | 35 | \$140 | \$4,900 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$140 | \$1,400 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 20 | \$140 | \$2,800 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 40 | \$140 | \$5,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Professional Engineer - Y1 | | | | | |
| Required Project Components | 15 | \$130 | \$1,950 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$130 | \$1,300 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 35 | \$130 | \$4,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 65 | \$130 | \$8,450 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Professional Engineer - Y2 | | | | | |
| Required Project Components | 20 | \$130 | \$2,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$130 | \$1,300 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 20 | \$130 | \$2,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|----------------------------|---|
| Technical Analysis, Tools, Decision Support Tools | 50 | \$130 | \$6,500 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Engineering II - Y1 | | | | | |
| Required Project Components | 25 | \$115 | \$2,873 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$115 | \$1,149 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$115 | \$1,149 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 157 | \$115 | \$18,045 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Engineering II - Y2 | | | | | |
| Required Project Components | 10 | \$115 | \$1,149 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 40 | \$115 | \$4,598 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$115 | \$1,149 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 100 | \$115 | \$11,494 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Draft Technician - Y1 | | | | | |
| Required Project Components | 0 | \$100 | \$0 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 5 | \$100 | \$500 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 4 | \$100 | \$400 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 37 | \$100 | \$3,700 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Draft Technician - Y2 | | | | | |
| Required Project Components | 10 | \$100 | \$1,000 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|----|-------|------------------|----------------------------|---|
| Hydrogeological Study | 8 | \$100 | \$800 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 0 | \$100 | \$0 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 35 | \$100 | \$3,500 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Total | | | \$127,758 | | |

Fringe Benefits

| Position Title | Compensation | Quantity | Total Cost | Comments (as needed) |
|-------------------------------|--------------|----------|--------------------|---|
| Principal Engineering | \$51.15 | 100.00 | \$5,115.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Project Manager/ Snr Engineer | \$46.20 | 225.00 | \$10,395.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Professional Engineer | \$42.90 | 225.00 | \$9,652.50 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Engineering II | \$38.03 | 362.00 | \$13,767.77 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Draft Technician | \$33.00 | 99.00 | \$3,267.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Total | | | \$42,197 | |

Travel

| Purpose | From/To | # of Days | # of Travelers | Lodging per Traveler | Flight per Traveler | Vehicle per Traveler | Per Diem per Traveler | Cost per Trip | Basis for Estimate |
|---|----------------------|-----------|----------------|----------------------|---------------------|----------------------|-----------------------|----------------|-------------------------|
| Travel to Paonia for Stakeholder Meetings Community Outreach (Task 1) | CO Springs to Paonia | 4 | 3 | \$750 | \$0 | \$1,150 | \$125 | \$6,075 | 3 separate trips |

| | | | | | | | | | |
|---|----------------------|---|---|-------|-----|-------|-------|-----------------|---------------------------|
| Travel to Paonia to Investigate Raw Water Collections (Task 4) | CO Springs to Paonia | 2 | 2 | \$500 | \$0 | \$460 | \$125 | \$2,170 | 1 trip, two days |
| Travel to Paonia Planning Session (Task 1) | CO Springs to Paonia | 1 | 2 | \$250 | \$0 | \$230 | \$125 | \$1,210 | 1 trip, one day |
| Travel to Paonia Deliverable Presentation (Task 1) | CO Springs to Paonia | 2 | 2 | \$500 | \$0 | \$920 | \$125 | \$3,090 | Two trips two days |
| | | | | | | | | \$0 | |
| Total | | | | | | | | \$12,545 | |
| Additional Narrative/Comments: Visits will be supported by video conferencing whenever possible. Lodging estimated based on estimated cost per night per room, mileage to/from. Per Diem will be billed according to contracted/published rates). Specifics on travel are unknown at this time and estimated on previous engineering contracts/projects. | | | | | | | | | |

****Wright Water Engineers Detailed Description**

| Position Title | Time (Hrs or %) | Rate (Hr or Salary) | Total Cost | Rate Basis | Comments (as needed) |
|--|-----------------|---------------------|----------------|------------------------|---|
| Senior Principal Engineer | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 12 | \$243 | \$2,916 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|--|----|-------|----------------|------------------------|---|
| Process Monitoring Data | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Evaluate and Refine Task 2 Objectives | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Cooperative Meetings to Identify Spring Improvements | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Process Geophysical Survey and Monitoring Data | 8 | \$243 | \$1,944 | | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 8 | \$243 | \$1,944 | | hourly rate based on average rate for all personnel occupying this position |
| Senior Water Resources Engineer/ Hydrogeologist | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 24 | \$180 | \$4,320 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 16 | \$180 | \$2,880 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 16 | \$180 | \$2,880 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Evaluate and Refine Task 2 Objectives | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|------------------------|---|
| Cooperative Meetings to Identify Spring Improvements | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 40 | \$180 | \$7,200 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Project Management | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Resistivity Geophysical Survey | 120 | \$180 | \$21,600 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Installation of shallow monitoring wells and pressure transducers | 60 | \$180 | \$10,800 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Geophysical Survey and Monitoring Data | 40 | \$180 | \$7,200 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 48 | \$180 | \$8,640 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Water Resources Engineer | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 16 | \$136 | \$2,176 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 12 | \$136 | \$1,632 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 8 | \$136 | \$1,088 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 24 | \$136 | \$3,264 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|------------------------|---|
| Report, Conclusions and Recommendations | 24 | \$136 | \$3,264 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Resistivity Geophysical Survey | 120 | \$136 | \$16,320 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Installation of shallow monitoring wells and pressure transducers | 60 | \$136 | \$8,160 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Geophysical Survey and Monitoring Data | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Water Resources Analyst | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 8 | \$105 | \$840 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Process Geophysical Survey and Monitoring Data | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | | | | | | | | |
|---|----|--------------|------------------|------------------------|---|--|--|--|--|--|--|--|
| Report, Conclusions and Recommendations | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position | | | | | | | |
| Subcontractor Administration Fee @ 5% | | | \$7,745 | | | | | | | | | |
| Report production | | | \$29,200 | | | | | | | | | |
| Town of Paonia In-Kind Personnel | | | \$2,140 | | | | | | | | | |
| | | Total | \$193,993 | | | | | | | | | |

| Purpose | From/To | # of Days | # of Travelers | Lodging per Traveler | Flight per Traveler | Vehicle per Traveler | Per Diem per Traveler | Cost per Trip | Basis for Estimate |
|---|------------------|-----------|----------------|----------------------|---------------------|----------------------|-----------------------|----------------|----------------------|
| Travel to Paonia for Field Work for Geological Assessment and Delineation (Task 1) | Denver to Paonia | 4 | 3 | Included in Per diem | N/A | \$420 | \$100 | \$1,560 | mileage and per diem |
| Travel to Paonia for Installation of shallow monitoring wells and pressure transducers (Task 2) | Denver to Paonia | 10 | 2 | Included in Per diem | N/A | \$840 | \$100 | \$1,880 | mileage and per diem |
| Travel to Paonia for Resistivity Geophysical Survey (Task 2) | Denver to Paonia | 20 | 2 | Included in Per diem | N/A | \$840 | \$100 | \$1,880 | mileage and per diem |

| | | | | | | | | | |
|--|------------------|---|---|----------------------|-----|-------|--------------|----------------|----------------------|
| Travel to Paonia to Develop Spring Monitoring Program (Task 3) | Denver to Paonia | 2 | 1 | Included in Per diem | N/A | \$420 | \$100 | \$520 | mileage and per diem |
| | | | | | | | Total | \$5,840 | |

Equipment

| Equipment Item | Quantity | Unit Cost | Total Cost | Basis of Cost | Purpose | Rental Comparison |
|----------------|----------|-----------|-----------------|---------------|----------------------|-------------------|
| Water meters | 2 | \$25,140 | \$50,280 | vendor price | measure spring water | na |
| Total | | | \$50,280 | | | |

**WaterSMART Water Strategy Grant for Fiscal Year 2023 and 2024
 Bureau of Reclamation Funding Opportunity No. R23AS00109
 Town of Paonia, Colorado
 Watershed and Water System Strategy Plans for
 Resiliency in the Face of Change**

Budget Narrative

Budget Summary

| Summary | | | |
|---|------------------|--------------------------|------------------------------|
| Figures in this summary table are calculated from entries made in subsequent categories, only blank white cells require data entry. | | | |
| 6. Budget Object Category | Total Cost | Federal Estimated Amount | Non-Federal Estimated Amount |
| a. Personnel | \$0 | | |
| b. Fringe Benefits | \$0 | | |
| c. Travel | \$0 | | |
| d. Equipment | \$0 | | |
| e. Supplies | \$0 | | |
| f. Contractual | \$500,113 | | |
| g. Construction | \$0 | | |
| h. Other Direct Costs | \$0 | | |
| i. Total Direct Costs | \$500,113 | | |
| i. Indirect Charges | \$0 | | |
| Total Costs | \$500,113 | 250,000 | \$250,113 |
| Cost Share Percentage | | 50% | 50% |

Section B – Budget Categories

6. Object Class Category

a. Personnel \$0

Project Manager: Stefen Wynn, Town Administrator

Mr. Wynn will manage the project from an administrative position, ensuring that all contractors perform in accordance with the terms of their contracts, ensure deliverables arrive on schedule and are of the quality expected, that all billing is timely and up to the standards required. The Administrator will also ensure that all reporting requirements are met on time. The Town is absorbing all administrative costs for this grant and is not seeking reimbursement for them.

b. Fringe Benefits \$0

Not applicable

c. Travel \$0

Not applicable

d. Equipment \$0

Not applicable

e. Supplies \$0

Not applicable

f. Contractual Total: \$500,113

All contracts will be put out to bid utilizing the Town’s Purchasing Policy (Attachment 3: Town of Paonia Purchasing Policy). RESPEC formulated the estimated scope of work and the cost for the project except for the Hydrogeological Study. Wright Water Engineering formulated the scope of work and the cost for the Hydrogeological Study.

| Contractor Name | Services and necessity of each to the project. | Total Cost | Description of Costs | Basis of Costs |
|---|--|-------------------|-----------------------------|---|
| Primary Engineering Firm RESPEC *detailed estimate below | Required program components including technical assessments, technical analyses, tools, decision support tools | \$182,500 | Personnel costs, travel | Hourly rates based on average rates for all personnel occupying these positions, travel based on estimated room rates and travel reimbursement rates and per diem |

| | | | | |
|--|--|------------------|--|---|
| Town of Paonia - Masterplan Contract Extension | Outreach support and supplies, needed of creation of stakeholder engagement plan and involvement | \$12,500 | personnel costs | Engineering Opinion of Probable Cost, Basis - existing contract |
| Town of Paonia Water Rights Counsel | Investigate complicated Town of Paonia Water Rights | \$25,000 | personnel costs | Engineering Opinion of Probable Cost, Basis - existing contract |
| Timberline | Create SCADA Improvement Alternatives | \$10,000 | personnel costs | Engineering Opinion of Probable Cost |
| Wilmore and Company | Aerial Surveying Raw Water Collection Lines and creation of map | \$20,000 | personnel costs | Engineering Opinion of Probable Cost, Basis - Solicitation. |
| Wright Water Engineers **detailed description below | Hydrogeologic Study of Spring Network | \$250,113 | personnel costs, travel, report production | Basis - Solicitated Proposal |
| Subtotal | | \$500,113 | | |

g. Construction \$0
Not Applicable

h. Other Direct Costs \$0
Not Applicable

i. Total Direct Costs \$500,113

j. Indirect Costs \$0
Not Applicable

k. TOTAL \$500,113

***RESPEC Detail Cost Breakdown**

| Position Title | Time (Hrs or %) | Rate (Hr or Salary) | Total Cost | Rate Basis | Comments (as needed) |
|---|------------------------|----------------------------|-------------------|----------------------------|---|
| Principal Engineering - Y1 | | | | | |
| Required Project Components | 25 | \$155 | \$3,875 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$155 | \$1,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$155 | \$1,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 5 | \$155 | \$775 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Principal Engineering - Y2 | | | | | |
| Required Project Components | 25 | \$155 | \$3,875 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$155 | \$1,550 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$155 | \$1,550 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 5 | \$155 | \$775 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Project Manager/ Snr Engineer TBD - Y1 | | | | | |
| Required Project Components | 50 | \$140 | \$7,000 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$140 | \$1,400 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|----|-------|----------------|----------------------------|---|
| Water Marketing and Water Rights Analysis | 20 | \$140 | \$2,800 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 40 | \$140 | \$5,600 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Project Manager/ Snr Engineer TBD - Y2 | | | | | |
| Required Project Components | 35 | \$140 | \$4,900 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$140 | \$1,400 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 20 | \$140 | \$2,800 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 40 | \$140 | \$5,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Professional Engineer - Y1 | | | | | |
| Required Project Components | 15 | \$130 | \$1,950 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$130 | \$1,300 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 35 | \$130 | \$4,550 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 65 | \$130 | \$8,450 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Professional Engineer - Y2 | | | | | |
| Required Project Components | 20 | \$130 | \$2,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$130 | \$1,300 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 20 | \$130 | \$2,600 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|----------------------------|---|
| Technical Analysis, Tools, Decision Support Tools | 50 | \$130 | \$6,500 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Engineering II - Y1 | | | | | |
| Required Project Components | 25 | \$115 | \$2,873 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 10 | \$115 | \$1,149 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$115 | \$1,149 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 157 | \$115 | \$18,045 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Engineering II - Y2 | | | | | |
| Required Project Components | 10 | \$115 | \$1,149 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 40 | \$115 | \$4,598 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 10 | \$115 | \$1,149 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 100 | \$115 | \$11,494 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Draft Technician - Y1 | | | | | |
| Required Project Components | 0 | \$100 | \$0 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Hydrogeological Study | 5 | \$100 | \$500 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 4 | \$100 | \$400 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 37 | \$100 | \$3,700 | Anticipated 2024/2025 Rate | hourly rate based on average rate for all personnel occupying this position |
| Draft Technician - Y2 | | | | | |
| Required Project Components | 10 | \$100 | \$1,000 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|----|-------|------------------|----------------------------|---|
| Hydrogeological Study | 8 | \$100 | \$800 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Water Marketing and Water Rights Analysis | 0 | \$100 | \$0 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Technical Analysis, Tools, Decision Support Tools | 35 | \$100 | \$3,500 | Anticipated 2025/2026 Rate | hourly rate based on average rate for all personnel occupying this position |
| Total | | | \$127,758 | | |

Fringe Benefits

| Position Title | Compensation | Quantity | Total Cost | Comments (as needed) |
|-------------------------------|--------------|----------|--------------------|---|
| Principal Engineering | \$51.15 | 100.00 | \$5,115.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Project Manager/ Snr Engineer | \$46.20 | 225.00 | \$10,395.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Professional Engineer | \$42.90 | 225.00 | \$9,652.50 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Engineering II | \$38.03 | 362.00 | \$13,767.77 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Draft Technician | \$33.00 | 99.00 | \$3,267.00 | Fringe benefits estimated at approx. 33% of respective personnel rate |
| Total | | | \$42,197 | |

Travel

| Purpose | From/To | # of Days | # of Travelers | Lodging per Traveler | Flight per Traveler | Vehicle per Traveler | Per Diem per Traveler | Cost per Trip | Basis for Estimate |
|---|----------------------|-----------|----------------|----------------------|---------------------|----------------------|-----------------------|----------------|-------------------------|
| Travel to Paonia for Stakeholder Meetings Community Outreach (Task 1) | CO Springs to Paonia | 4 | 3 | \$750 | \$0 | \$1,150 | \$125 | \$6,075 | 3 separate trips |

| | | | | | | | | | |
|---|----------------------|---|---|-------|-----|-------|-------|-----------------|--------------------|
| Travel to Paonia to Investigate Raw Water Collections (Task 4) | CO Springs to Paonia | 2 | 2 | \$500 | \$0 | \$460 | \$125 | \$2,170 | 1 trip, two days |
| Travel to Paonia Planning Session (Task 1) | CO Springs to Paonia | 1 | 2 | \$250 | \$0 | \$230 | \$125 | \$1,210 | 1 trip, one day |
| Travel to Paonia Deliverable Presentation (Task 1) | CO Springs to Paonia | 2 | 2 | \$500 | \$0 | \$920 | \$125 | \$3,090 | Two trips two days |
| | | | | | | | | \$0 | |
| Total | | | | | | | | \$12,545 | |
| Additional Narrative/Comments: Visits will be supported by video conferencing whenever possible. Lodging estimated based on estimated cost per night per room, mileage to/from. Per Diem will be billed according to contracted/published rates). Specifics on travel are unknown at this time and estimated on previous engineering contracts/projects. | | | | | | | | | |

****Wright Water Engineers Detailed Description**

| Position Title | Time (Hrs or %) | Rate (Hr or Salary) | Total Cost | Rate Basis | Comments (as needed) |
|--|-----------------|---------------------|------------|------------------------|---|
| Senior Principal Engineer | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 12 | \$243 | \$2,916 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|--|----|-------|----------------|------------------------|---|
| Process Monitoring Data | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Evaluate and Refine Task 2 Objectives | 4 | \$243 | \$972 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Cooperative Meetings to Identify Spring Improvements | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 8 | \$243 | \$1,944 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Process Geophysical Survey and Monitoring Data | 8 | \$243 | \$1,944 | | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 8 | \$243 | \$1,944 | | hourly rate based on average rate for all personnel occupying this position |
| Senior Water Resources Engineer/ Hydrogeologist | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 24 | \$180 | \$4,320 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 16 | \$180 | \$2,880 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 16 | \$180 | \$2,880 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Evaluate and Refine Task 2 Objectives | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|------------------------|---|
| Cooperative Meetings to Identify Spring Improvements | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 40 | \$180 | \$7,200 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Project Management | 8 | \$180 | \$1,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Resistivity Geophysical Survey | 120 | \$180 | \$21,600 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Installation of shallow monitoring wells and pressure transducers | 60 | \$180 | \$10,800 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Geophysical Survey and Monitoring Data | 40 | \$180 | \$7,200 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 48 | \$180 | \$8,640 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Water Resources Engineer | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 16 | \$136 | \$2,176 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Field Work for Geological Assessment and Delineation | 12 | \$136 | \$1,632 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 8 | \$136 | \$1,088 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 24 | \$136 | \$3,264 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | |
|---|-----|-------|-----------------|------------------------|---|
| Report, Conclusions and Recommendations | 24 | \$136 | \$3,264 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Resistivity Geophysical Survey | 120 | \$136 | \$16,320 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Installation of shallow monitoring wells and pressure transducers | 60 | \$136 | \$8,160 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Geophysical Survey and Monitoring Data | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 40 | \$136 | \$5,440 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Water Resources Analyst | | | | | |
| Task 1 Engineering and Data Review | | | | | |
| Review and Evaluate Publications and Available Data | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Hydrological Modeling | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Develop Spring Monitoring Program | 8 | \$105 | \$840 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Process Monitoring Data | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Report, Conclusions and Recommendations | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |
| Task 2 - Subsurface Investigation | | | | | |
| Process Geophysical Survey and Monitoring Data | 16 | \$105 | \$1,680 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position |

| | | | | | | | | | | | | |
|---|----|--------------|------------------|------------------------|---|--|--|--|--|--|--|--|
| Report, Conclusions and Recommendations | 24 | \$105 | \$2,520 | Anticipated 2024 rates | hourly rate based on average rate for all personnel occupying this position | | | | | | | |
| Subcontractor Administration Fee @ 5% | | | \$7,745 | | | | | | | | | |
| Report production | | | \$29,200 | | | | | | | | | |
| Town of Paonia In-Kind Personnel | | | \$2,140 | | | | | | | | | |
| | | Total | \$193,993 | | | | | | | | | |

| Purpose | From/To | # of Days | # of Travelers | Lodging per Traveler | Flight per Traveler | Vehicle per Traveler | Per Diem per Traveler | Cost per Trip | Basis for Estimate |
|---|------------------|-----------|----------------|----------------------|---------------------|----------------------|-----------------------|----------------|----------------------|
| Travel to Paonia for Field Work for Geological Assessment and Delineation (Task 1) | Denver to Paonia | 4 | 3 | Included in Per diem | N/A | \$420 | \$100 | \$1,560 | mileage and per diem |
| Travel to Paonia for Installation of shallow monitoring wells and pressure transducers (Task 2) | Denver to Paonia | 10 | 2 | Included in Per diem | N/A | \$840 | \$100 | \$1,880 | mileage and per diem |
| Travel to Paonia for Resistivity Geophysical Survey (Task 2) | Denver to Paonia | 20 | 2 | Included in Per diem | N/A | \$840 | \$100 | \$1,880 | mileage and per diem |

| | | | | | | | | | |
|--|------------------|---|---|----------------------|-----|-------|--------------|----------------|----------------------|
| Travel to Paonia to Develop Spring Monitoring Program (Task 3) | Denver to Paonia | 2 | 1 | Included in Per diem | N/A | \$420 | \$100 | \$520 | mileage and per diem |
| | | | | | | | Total | \$5,840 | |

Equipment

| Equipment Item | Quantity | Unit Cost | Total Cost | Basis of Cost | Purpose | Rental Comparison |
|----------------|----------|-----------|-----------------|---------------|----------------------|-------------------|
| Water meters | 2 | \$25,140 | \$50,280 | vendor price | measure spring water | na |
| Total | | | \$50,280 | | | |

ATTACHMENTS FORM

Instructions: On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

Important: Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

| | | | | |
|---------------------------------|--|---|--|--|
| 1) Please attach Attachment 1 | <input type="text" value="1236-Letters of Support.pdf"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 2) Please attach Attachment 2 | <input type="text" value="1237-Paonia Board of Trustees"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 3) Please attach Attachment 3 | <input type="text" value="1238-Town of Paonia Purchasin"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 4) Please attach Attachment 4 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 5) Please attach Attachment 5 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 6) Please attach Attachment 6 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 7) Please attach Attachment 7 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 8) Please attach Attachment 8 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 9) Please attach Attachment 9 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 10) Please attach Attachment 10 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 11) Please attach Attachment 11 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 12) Please attach Attachment 12 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 13) Please attach Attachment 13 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 14) Please attach Attachment 14 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |
| 15) Please attach Attachment 15 | <input type="text"/> | <input type="button" value="Add Attachment"/> | <input type="button" value="Delete Attachment"/> | <input type="button" value="View Attachment"/> |

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

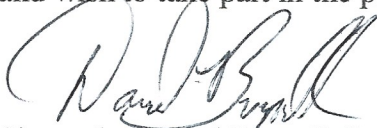
Date: 10/13/2023

From: Bone Mesa Domestic Water District

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including Bone Mesa Domestic Water District. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

Bone Mesa Domestic Water District supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.



Sincerely, Daniel Buzzell, President
Bone Mesa Domestic Water District
PO Box 1462
Paonia CO 81428

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

Date: 10/16/2023

From: Mt. Lamborn Ranches

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including *Lone Cabin Ditch and Reservoir*. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

Lone Cabin Ditch and Reservoir supports the Town of Paonia’s application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

Steven J. Kossler

Steven J. Kossler
Lone Cabin Ditch Reservoir

October 6, 2023

To: Bureau of Reclamation WaterSMART grant program

Delta County Board of Commissioners fully supports the Town of Paonia's WaterSMART application to create a Comprehensive Municipal Watershed Resiliency plan; identifying key projects to rehabilitate aging infrastructure, increase watershed resilience from drought, and mitigate wildfire hazards to the Town of Paonia's watershed.

The Resiliency plan will include source waters, transmission lines, storage and treatment facilities as well as distribution infrastructure. The Town of Paonia shares the water rights in the headwaters on Lamborn and Land's End with rangeland & pasture managers, ranchers, the United States Forest Service and domestic water companies. The Planning grant objectives are to support initial stage planning for water supply and management projects, tributary projects and activities, and domestic water supply projects.

The US Forest Service, Lone Cabin Reservoir & Ditch Company, Roeber Conservancy, Bureau of Land Management, Bone Mesa Domestic Water, and the many other Water Rights holders will be invited into a watershed stakeholders' group to participate in the headwater resiliency planning.

The Town of Paonia has been awarded \$25,000 from the Gunnison Basin Roundtable and \$122,975 in State Water Supply Reserve Funds through the Colorado Water Conservation Board and Colorado River District to conduct a hydrogeological study, install spring meters, and identify critical values at risk. This money can be used to match the Bureau's grant, and with matching funds the Town of Paonia will identify potential opportunities, compare alternatives, and prioritize concepts in the development of an implementation strategy.

Respectfully,

Delta County Board of Commissioners



Wendell A. Koontz, Chair

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

10/10/2023
Burgess Water Company

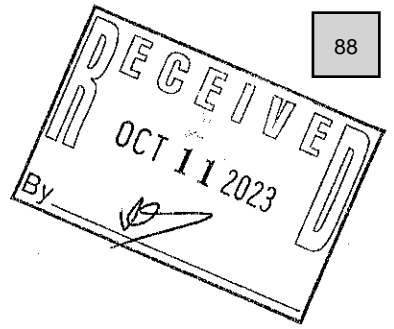
To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including the Burgess Water Company. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

The Burgess Water Company wholeheartedly supports the Town of Paonia’s application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and would like to take part in the planning process to provide feedback on the plan.

Sincerely,

Heidi Reese
Secretary/Treasurer
Burgess Water Company
Paonia, CO 81428



U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

Date: 10/11/2023

From: Mark Vlosky, representing Eastgate Waterline

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including Eastgate Waterline. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

Eastgate Waterline supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

A handwritten signature in black ink that reads "M Vlosky".

CC: Paonia Board of Trustees

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants



October 10, 2023

From Foothills #2 Water Inc.
PO Box 1693
Paonia, CO 81428

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including Foothills #2 Water Inc. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

Foothills #2 Water Inc. strongly supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

Kitty Julian, Vice President

Foothills #2 Water Inc.

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

11 October 2023

Hidden Valley HOA Water Company
13648 Lamborn Mtn Ln
Paonia CO 81428

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including Hidden Valley HOA Water Company. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

Hidden Valley HOA Water Company supports the Town of Paonia’s application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

Hidden Valley HOA Water Company

Jennifer McGavin, President
Jeff Cowan, Vice President
Namaste Reid, Secretary
Linda Day, Treasurer
Davis Walton, Voting Member
Robert Day, Interim President of Hidden Valley Paonia Water & Sewer Co

US Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

October 12, 2023

To Whom it May Concern

Mount Lamborn, In addition to being the landmark that defines our town, is also the source of our drinking water. The Town Of Paonia, several other organizations and The Minnesota Domestic Pipeline Company source our water from the watershed. It is the belief of our board that the development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

The Minnesota Domestic Pipeline Company supports the Town of Paonia’s application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Thank you for your time,

John Rogers

Minnesota Domestic Pipeline Company

letter of support

Mark Roeber <mroeber111@gmail.com>

Thu 10/12/2023 3:14 PM

To: Mary B <maryb@townofpaonia.com>

U.S. Department of Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

October 13, 2023

J. Mark Roeber
Mt. Lamborn Livestock LLC

Mount Lamborn is the source water for the Town of Paonia as wells multiple other users including Mt Lamborn Livestock LLC. The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure plan will benefit all the users of this valuable resource.

Mt Lamborn Livestock LLC supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback to the plan.

Sincerely,
J. Mark Roeber
for
Mt, Lamborn Livestock LLC

CC: Paonia Board of Trustees

WaterSMART Water Strategy Planning Grant

David Herz <daveherzfarmer@gmail.com>

Thu 10/12/2023 3:15 PM

To: Mary B <maryb@townofpaonia.com>

Cc: Stewart Mesa Water Company <smwch2o@gmail.com>

To : Mary Bachran , Mayor, Town of Paonia

Mount Lamborn is the source for water for the Town of Paonia as well as multiple other users including Stewart Mesa Water Company . The development of a comprehensive watershed strategy to increase drought resiliency , mitigate wildlife hazards and create a water infrastructure capital improvement plan will benefit all users of this valuable resource .

Stewart Mesa Water Company supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation . We understand that the WaterSMART grant coupled with the recent grant from the Gunnison Basin Roundtable , Colorado Water Conservation Board and Colorado River District will be used the evaluate areas of critical risk and sensitivity and the Stewart Mesa Water Company requests to be involved with the City of Ponia as it identifies potential opportunities , compare alternatives, and prioritizes concepts in the development of an implementation strategy .

Thank you ,
David Herz , Pres. SMWC



United States
Department of
Agriculture

Forest
Service

Paonia Ranger District

403 North Rio Grande Avenue
P.O. Box 1030
Paonia, CO 81428
970-527-4131
Fax: 970-527-4151

94

File Code: 2720
Date: October 10, 2023

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

To Whom it May Concern:

The source water for the Town of Paonia is largely located on lands managed by the Paonia Ranger District of the Grand Mesa, Uncompahgre and Gunnison (GMUG) National Forests. Due to the location of the Town's water system, the development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan has clear connection to the Paonia Ranger District's duties as a land manager.

The GMUG Paonia Ranger District supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

For any questions, concerns, or collaboration, please contact Abby Rader, Paonia Ranger District Lands Staff, at abigail.rader@usda.gov or 970-260-4560.

Sincerely,

LEVI BROYLES
District Ranger



Caring for the Land and Serving People

Printed on Recycled Paper



West Elk Livestock Association
U.S. Department of the Interior
Bureau of Reclamations
WaterSMART Water Strategy Grants



October 11, 2023

West Elk Livestock Association
39799 Green Tractor Road
Paonia, CO. 81428

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia well as multiple other water users including the West Elk Livestock Association. The development of comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

West Elk Livestock Association supports the Town of Paonia application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

Karl Burns, President

KB/mjb

October 13, 2023

U.S. Department of the Interior
Bureau of Reclamation
WaterSMART Water Strategy Grants

To Whom it May Concern:

Mount Lamborn is the source water for the Town of Paonia as well as multiple other users including the South Lamborn Mesa Water Association (SLMWA). The development of a comprehensive watershed strategy to increase drought resiliency, mitigate wildfire hazards and create a water infrastructure capital improvement plan will benefit all the users of this valuable resource.

The SLMWA supports the Town of Paonia's application for a WaterSMART Water Strategy Plan Grant from the Bureau of Reclamation. We understand this is a collaborative effort and wish to take part in the planning process to provide feedback on the plan.

Sincerely,

Date



Shannon Smith
SLMWA Treasurer/Secretary



Bureau of Reclamation
Water Resources and Planning Office
Attn: Ms. Irene Hoiby
Mail Code: 86-63000
P.O. Box 25007
Denver, CO 80225-0007

To whom it may concern,

I am writing to demonstrate the Colorado Department of Natural Resources' (DNR) support for the Town of Paonia's forthcoming WaterSMART Water Strategy grant proposal. The proposal, which aims to develop a comprehensive watershed resiliency plan for the Town, will benefit local water users and advance Colorado's statewide goals.

The Colorado Water Plan was developed by the Colorado Water Conservation Board (CWCB) to clearly outline state policies regarding the optimal conservation and development of Colorado's water resources. Through robust engagement with stakeholders across the state, common visions have been identified in the Colorado Water Plan. These common visions include the need to protect and restore healthy watersheds, conserve water, meet municipal needs, and sustain and enhance agricultural production. The Colorado Water Plan also strives to center extensive stakeholder engagement in water planning efforts. The proposal being put forward by the Town of Paonia strives to achieve these goals, which also align with the goals set forth in the guidance published for the WaterSMART Planning and Project Design Grants Notice of Funding Opportunity for FY23 and FY24.

The DNR and CWCB are excited by the recent focus and investment in watershed resiliency planning by the Bureau of Reclamation and other federal agencies. We look forward to working with you to advance our shared water goals and urge you to look favorably upon the attached proposal.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Nate Pearson', is positioned below the text 'Thank you for your consideration,'.

Nate Pearson, DNR Recovery Officer

United States Senate
Washington, D.C. 20510

October 17, 2023

The Honorable Commissioner Camille Calimlim Touton
Bureau of Reclamation
U.S. Department of Interior
1849 C Street NW
Washington, DC 20240

Dear Commissioner Touton:

We write in support of the application submitted by the Town of Paonia (Paonia) to the Bureau of Reclamation for funding from the WaterSMART Planning and Project Design Grants program. If awarded, Paonia will use funds to develop a comprehensive water management strategy for the town’s watersheds and municipal water infrastructure.

Located in the rural North Fork Valley of Colorado, Paonia relies on water directly from surface supplies and groundwater springs originating from the nearby Mount Lamborn. This source also serves farmers and ranchers, domestic water providers, conservancy districts, private users, and the U.S. Forest Service. Paonia’s proactive development of a comprehensive water system strategy will help increase drought resiliency, address wildfire hazards, mitigate the effects of climate change, and create a water infrastructure capital improvement plan for Paonia and other users. The town intends to pursue a collaborative approach with local agricultural, environmental, and recreational interests throughout the development of the comprehensive strategy.

We encourage you to give the application submitted by the Town of Paonia your full and fair consideration consistent with all applicable laws and regulations. Thank you for your review, and please notify our offices of any funds awarded.

Sincerely,



Michael F. Bennet
United States Senator



John Hickenlooper
United States Senator

Minutes
Regular Town Board Meeting
Town of Paonia, Colorado
October 10, 2023

RECORD OF PROCEEDINGS

Mayor Bachran calls the meeting to order at 6:30pm

Roll Call

PRESENT

- Mayor Mary Bachran
- Mayor Pro-Tem Dave Knutson
- Trustee Paige Smith
- Trustee John Valentine
- Trustee Morgan MacInnis
- Trustee Kathy Swartz

ABSENT

- Trustee Rick Stelter

Approval of Agenda

Trustee MacInnis makes a motion, seconded by Mayor Pro-Tem Knutson, to approve the agenda.

Motion carries unanimously.

Announcements

October 9th was the first Town celebrated Indigenous People's Day, the Mayor noted that it is such a new thing, several Town staff members showed up to work.

Mayor Pro-Tem Knutson notes that the trail system work done by BLM was successful and the trail looks fantastic.

Public Comment

S. Watson: comments about the Zoning Board of Adjustments & Appeals

Consent Agenda

Trustee MacInnis makes a motion, seconded by Trustee Smith, to approve the consent agenda.

Trustee Smith makes a motion, seconded by Trustee Swartz, to amend the motion to approve the consent agenda, with the reduction of Phoenix Rising Resources Invoice of \$9,940.00 from disbursements, until further information is provided.

The motion carries unanimously.

Staff Reports

Town Administrator

Town Administrator Wynn goes over his report which will be posted to his page on the Town website. He covers Dorris Sewer Line repair, automated meters process, FY-2022 audit, new processes for encumbrances, budget process, upcoming deadlines, changes to budget line item, ClearGov, Public Works accomplishments & project completion, leak repairs, fire hydrant flow testing, data gathering, winter preparation and sign-up sheet for leaves.

Police Department

Chief Laiminger reported that Mountain Harvest Festival was safe and successful, thank you to all of those who worked so hard to make it that way and went over his written report.

Actions & Presentations

Agenda Item #1 Consideration and Approval of Resolution 2023-16 Opposing Proposition HH

Town Administrator Wynn and Mayor Bachran provide background on this issue and why CML and local governments oppose it and how it would affect us as a municipality.

Public Comment:

T. Meck: High Country Shopper, questions about TM report.

Board discussion includes: revenue from property tax, cutback increases vs tax revenue decreases, effects on the Town's budget, TABOR refunds, property tax increases vs decreases, mill levy changes, effect on low-income people, effects on renters and homeowners both, balance between best for Town and best for people, what it would effect specifically in the community, TABOR fund redistribution.

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Smith to approve Resolution 2023-16 Opposing Proposition HH.

Voting Yea: Mayor Pro-Tem Knutson, Trustee Smith, Trustee MacInnis, Trustee Swartz

Voting Nay: Trustee Valentine

The motion carries.

Agenda Item #2: Approval to Submit a WaterSmart Water Strategy Planning Grant

Mayor Bachran provides background on the project and what it would be used for as well as the reasoning behind applying for the grant and how it will help provide a full comprehensive plan of our water system from Springs to distribution to ditches.

Public Comment:

C. Kendall: makes a comment on the timing and water company buy-in.

S. Patterson: makes a comment about expenditures and taxes.

Board discussion: effects on other important grants and studies, grant matches, flow charts, keeping track of the different grants effectively, hydrogeological study a priority, contractors and project updates would be helpful, deadline 10/17/23, later notice and time to see if our project fit the Town needs, grant rewards notification vs RFP timeline, amended RFP is possible, physical part of study starts in Spring when mountain is accessible again, Town & water companies will be directly involved during the grant process.

Trustee Smith makes a motion, seconded by Trustee Swartz to submit a WaterSmart Water Strategy Planning Grant.

The motion carries unanimously.

Agenda Item #3: Ratification of Approval for Emergency Sewer Line repairs at Emergency Meeting

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Smith, to approve the quote for repairs from Roop Excavating with a not-to-exceed price up to \$75,000.00 & to approve the workers camping in Apple Valley Park on Friday October 6th and October 7th, 2023.

The motion carries unanimously.

Agenda Item #4: Ratification of Approval to Allow BLM Workers to Camp in Apple Valley Park While Working on Trail System, at Emergency Meeting

Decision ratified in same motion as Agenda Item #3

Agenda Item #5: Approval of Memorandum of Understanding with the Department of Revenue for Retail Marijuana Sales Tax Access

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee Smith, to approve Town Administrator, Stefen Wynn, signing the Retail Marijuana Sales Tax Memorandum of Understanding with the Department of Revenue for 2024.

The motion carries unanimously.

Executive Session

Mayor Pro-Tem Knutson makes a motion, seconded by Trustee MacInnis, to enter into Executive Session, pursuant to C.R.S. Section 24-6-402, subsections (4)(e) and (4)(f), for discussion of a personnel matter that does not involve any employee who has requested discussion of the matter in open session, any member of this body or any elected official, the appointment of any person to fill an office of this body or of an elected official, or personnel policies that do not require the discussion of matters personal to a particular employee; and for purposes of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; relative to the terms and conditions of the Police Chief’s employment with the Town, and the obligations of a certain former Town employee under a training reimbursement agreement with the Town.

The motion carries unanimously.

Executive Session begins: 7:47 pm

Executive Session ends: 8:56 pm

Attending the Executive Session are Mayor Bachran, Mayor Pro-Tem Knutson, Trustee Smith, Trustee Valentine, Trustee MacInnis, Trustee Swartz, Town Administrator Wynn, Chief Laiminger and Town Attorney Cotton-Baez.

No objections are noted for the record.

Mayor & Trustee Reports

Mayor Bachran gives a verbal report on the River District meeting.

Trustee Smith makes a comment about having a forum for water issues and education that promotes discussion and education. Discussion continued about what could fill the gap, quarterly round table discussions with Department Heads, project updates and the community updates in contractor contracts so that information is accurate.

Adjournment

The meeting adjourns at 9:10 pm

Samira M Vetter, Town Clerk

Mary Bachran, Mayor

DRAFT

PURCHASING POLICY

Use of Policy

This policy and the award of bid and other provisions herein are promulgated solely in support of the proper exercise of the Town’s fiscal responsibilities, including administration of annually appropriated funds, and solely for the benefit of the Town of Paonia, and confer no rights, duties or entitlements to any bidders or proposers.

PURCHASING GUIDELINES

- 1) Vendor relations - Town employees will conduct all purchasing functions in a professional manner and shall promote equal opportunity and fairness in all vendor relations.
- 2) Ethics and standards of behavior - All purchasing functions shall be conducted impartially to assure fair competitive access by responsible vendors. In addition, public employees should conduct themselves in a manner that will foster public confidence in the procurement process.
- 3) Local preference - Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located in Paonia shall be awarded a contract if their quote or bid is within 5% of the low bid.
- 4) Multi-year contracts - A contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the Town, provided that the term of the contract and renewal provisions are included in the original solicitation process. Adequate funds must be available to fulfill the first fiscal year’s obligation at the time of contract execution. Subsequent years’ appropriations are subject to authorization by the Town Board of Trustees.
- 5) Purchasing authority - The Town Administrator, or his or her designee, is authorized to enter into and sign on behalf of the town. At the discretion of the Town Administrator, any contract may be submitted to the Council for its approval.

BIDDING

Bidding procedures are used to provide vendors the opportunity to bid, to elicit greater vendor response, to meet competitive bid requirements when imposed by state or federal law, and to promote competitive prices from vendors for the purchase of capital equipment and other items of significant monetary value. The Board of Trustees and/or Town Administrator may direct the use of a higher-level bidding process on the purchase of any product or service regardless of the amount to be spent. As used herein, “bid” and “bidding” shall include requests for bids, requests for proposals, or requests for qualifications. The responsible department head, in consultation with the Finance Officer and Town Administrator, shall determine when bidding procedures shall utilize a request for bids, request for proposals or request for qualifications, as appropriate.

All purchases of goods or acquisition of services of \$10,001 and over and all purchases of cars, trucks, and heavy equipment shall require formal bidding procedures unless otherwise required by statute.

Petty Cash & Small Non-Bid Purchases

Less than \$50.00 Complete a “Petty Cash” request form. Receipts and excess petty cash must be returned to the Finance Department within three business days of purchase.

Minor Purchases

Purchases of \$50 to \$1,500 must be approved in advance by the Department Head. The Department Head is expected to not approve purchases that are outside the scope of the approved budget.

Purchases

Purchases between \$1,501 and \$5,000 must be approved in advance by the Department Head, the Finance Officer and the Town Administrator. Quotations are required from a minimum of 3 vendors. Town Administrator may waive quotation requirements if it is determined that it is not practical or advantageous to the interests of the Town.

Informal Bidding

Purchase requests of \$5,000 to \$25,000 must be approved in advance by the Department Head, the Finance Officer and the Town Administrator. Written quotes are required from a minimum of 3 vendors. Town Administrator may waive written quotation requirements if it is determined that it is not practical or advantageous to the interests of the Town. Proposals in this range must be submitted to the Town Board for approval before the purchase can be made.

Steps to complete an informal bid: (unless otherwise stated, responsibility falls on requesting department):

- 1) Develop specifications. Upon finalization of the specifications, prepare any documents required by the informal bid.
- 2) Disseminate specifications to identified vendors, including dissemination by email, mail or other method as appropriate.
- 3) Evaluate the bid results and determine which bid serves the Town's best interests.
- 4) Prepare a Purchase Requisition and obtain required approval for the level of purchasing.

Formal Bidding

Purchases of \$10,001 and above must be approved by the Board of Trustees. Written quotations are required from a minimum of 3 vendors and the procurement must follow applicable provisions of the "Formal Bidding Requirements". The Town Administrator may reduce the number of required bids and waive otherwise applicable formal bidding requirements if it is determined that it is not practical or advantageous to the interests of the Town. Proposals in this range must be submitted to the Town Board for approval before the purchase can be made.

Requests for formal bids shall be distributed to qualified/identified vendors in the manner determined by the requesting department. In requests for formal bids shall be posted to the Town website and may be published in a newspaper of general circulation in the Town, in other publications of limited circulation, or in trade journals, but such publication is not required by the Policy. If publication of a request for formal bids is required for a particular procurement by federal or state law or by a funding agency, the requesting department shall prepare and arrange for publication of the required notice.

Notices, general instructions, conditions, and specifications shall be mailed, posted to the Town website and otherwise made available to qualified/identified vendors.

All requests for formal bids shall be reviewed and approved by the Town Administrator or designee prior to distribution.

Steps to complete a formal bid (unless otherwise stated, responsibility falls on requesting department):

- 1) Develop specifications. Upon finalization of the specifications, determine any special requirements, such as bid, performance, and payment bonds; insurance; retainage; and any special requirements the requesting department may need. See bonding and insurance requirements listed below.
- 2) Prepare all documents required for the request for formal bid. Bid documents shall contain the following information, as applicable to the particular procurement (a request for bids for a vehicle purchase typically would not include bond and/or insurance requirements.) and shall be determined by the requesting department head upon consultation with the Town Administrator:
 - a. Where the bidder can obtain bid documents
 - b. Bid submittal deadline
 - c. Date, time and location of bid openings
 - d. Any bond and/or insurance requirements
 - e. Any special requirements
 - f. A statement to the effect that the Town reserves the right to reject any and all bids, and to accept the bid deemed to be the lowest reliable and responsible bid
 - g. A statement to the effect that all bids submitted become public information upon bid opening
 - h. General conditions
 - i. Minimum specifications
 - j. Bid proposal form
 - k. Delivery date or completion date
 - l. Period of bid validity
- 3) Determine bond, insurance, contract requirements. If any bonds, insurance, or contracts are required or are waived, obtain Town Attorney's approval. See bonding and insurance requirements listed below.
- 4) Distribute requests for bids. Make available a complete set of bid documents to all qualified/identified vendors or request vendors to pick up bid documents.
- 5) Conduct the public bid opening per the identified bid opening date.
- 6) Any bids received after the specified time will be returned to the bidder unopened. All bids/quotes/proposals should be retained for the minimum period required by the Town's records retention schedule (generally three years after contract is awarded).
- 7) Evaluate bids. Evaluate the bid results and determine which bid serves the Town's best interests. If the recommended vendor has not submitted the low bid, the department must demonstrate how the higher bid serves the best interests of the Town.
- 8) Prepare report to Board of Trustees for its review and action on the proposed procurement.
- 9) Complete draft documents for Board packet. Obtain Town Attorney's approval on all bid documents requiring bonds, insurance, or contracts prior to the Board of Trustees meeting.
- 10) Upon Board of Trustees' award of bid, notify successful bidder and notify other bidders of the results as requested.
- 11) Obtain signatures on all contracts and any additional required documents from vendor. One original signed contract with all exhibits must be submitted to the Town Clerk for central filing.

Emergency Purchases

Emergency purchases shall be allowed in the case of health and welfare of the citizens of the Town is threatened upon the direction and approval of the Town Administrator and with the recommendation of the appropriate Department Head with notice and advice of the Town Finance Officer to insure the availability of funds. An immediate report to the Board of Trustees shall be made detailing the purchase and cause of the emergency.

Professional Services

Professional services include consultants such as accountants, architects, attorneys, engineers, lab services, and surveyors. For multi-year contracts and contracts anticipated to exceed \$20,000 per year a Request for Qualifications (RFQ). RFQs will be developed on a case-by-case basis outlining the general needs, education and experience desired. For single year contracts of less than \$20,000 the Town Board may authorize the Town Administrator to negotiate such contracts. Upon completion of the negotiations the Town Administrator shall present a proposal to the Town Board for their consideration. The Town Administrator is authorized to enter into agreement for professional services not exceeding \$2,500.

Bonding Requirements

Bonds shall be executed on forms prescribed or approved by the Town Administrator based on review by the Town Attorney as to form and State of Colorado law. Normally, bonds are used only on critical or complex procurement actions, such as projects for completion of public works or public buildings. Bonds generally are not required for purchases of vehicles, equipment, or standard commercial goods and services, particularly when the goods are not altered or customized to unique Town specifications, but may be required if deemed by the procuring department to be in the interests of the Town. Some examples of bonds are:

- *Bid Bonds*: This bond is intended to protect the Town against a bidder's failure to honor its bid. The bid bond requirement may be satisfied by receipt of a certified bank check or a bid bond. The bid security is submitted as guarantee that the bid will be maintained in full force and effect for a period of thirty (30) calendar days after the opening of bids or as specified in the solicitation documents. If the bidder fails to provide the bid security with the bid when required by the bid documents, the bid shall be deemed non-responsive. The bid bond should be in an amount equal to at least 5% of the vendor's bid price.
- *Performance Bonds*: This bond is intended to secure performance of the vendor's performance of its obligations. A performance bond, satisfactory to the Town, may be required for all capital projects contracts awarded in excess of \$50,000. Unless the Town is legally required to accept a bond in lesser amount, the performance bond shall be in amount equal to one hundred percent (100%) of the price specified in the contract.
- *Payment Bonds*: This bond is intended to secure payment of subcontractors and suppliers. A payment bond for the protection of all persons supplying labor and material to the contractor or its subcontractors may be required for all capital projects contracts awarded in excess of \$50,000. Unless the Town is legally required to accept a bond in lesser amount, the payment bond shall be in an amount equal to at least one hundred percent (100%) of the price specified in the contract.

Insurance Requirement

Contracts entered by the Town will require the selected contractor to carry the types and minimum amounts of insurance coverage as required by the Town. The contracts shall also contain other provisions regarding insurance as the Town shall require. Unless different types and/or amounts of coverage are determined appropriate during the development of the specifications, general conditions and/or final contract, the following are the types and minimum amounts of insurance that should be required:

- 1) Workers' Compensation in statutory limits (if applicable).
- 2) Employer's Liability Insurance: \$100,000/ each accident, \$500,000/ policy limit, and \$100,000/ each employee.

- 3) Comprehensive General Liability Insurance: \$1,000,000/Occurrence
- 4) Automobile Liability or Hired & Non-Owned Vehicle Liability Insurance: \$1,000,000/each accident (if applicable).
- 5) Professional Liability Insurance: \$1,000,000/Occurrence.

Certain types of insurance may not be applicable to a particular contract. Whether a particular type of insurance is applicable shall be determined by the requesting department head in consultation with the Town Administrator and Town Attorney.

Bid documents should state the Town's anticipated insurance and bond requirements for the contract to be awarded. Bidders should be advised that the successful bidder shall be required to provide certificates of insurance with the Town named as additional insured, and that the contractor shall not commence work until it has obtained all insurance required by the contract documents and such insurance has been approved by Town.

Bidders' lists may be established and maintained by the Town as an effort to promote competitive bidding from qualified vendors and to establish a source of suppliers.

Evaluation of Bids: In addition to the bid amount, additional factors will be considered as an integral part of the bid evaluation process, including, but not limited to:

- The bidder's ability, capacity and skill to perform within the specified time limits;
- The bidder's experience, reputation, efficiency, judgment, and integrity;
- The quality, availability, and adaptability of the supplies or materials bid;
- Bidder's past performance;
- Sufficiency of bidder's financial resources to fulfill the contract;
- Bidder's ability to provide future maintenance and/or service;
- Other applicable factors as the Town determines necessary or appropriate (such as compatibility with existing facilities, equipment or hardware); and
- If a bid other than the lowest bid is recommended, the requesting department must demonstrate how the higher bid serves the best interests of the Town.

State Bids

State Bids are quotations or bids solicited by and through the State of Colorado (Bid Information and Distribution System). Use of State Bids is permitted for any equipment or vehicle purchases on items priced from \$10,000 to \$150,000. Use of State Bids must be in accordance with applicable procedures and only current State Bids may be used. Use of State Bids would override the formal bidding process and procedures listed above. The determination of whether to use State Bids shall be made by the Town Administrator upon consultation with the requesting department and the Director of Finance and Administration.

OPEN ACCOUNTS

Open accounts are created by the Finance Department and are entered into with vendors that are expected to supply products or services to the Town on an ongoing and/or regular basis where the total volume or total dollar amount cannot be reasonably estimated. An open account may be requested by a department by contacting the Finance Department. When an employee purchases an item on an open account, he/she should sign the receipt (legibly) and a copy of the receipt shall be given to the Finance Department.

CREDIT CARD PURCHASES

Town credit cards are issued by the Finance Department at the request of the Department Head and shall be used for Town business only - no cash withdrawals are allowed.

Whenever possible, Town credit cards are NOT to be used to pay for either general or professional services to the Town (maintenance agreements, rentals, etc.). This is because the IRS requires us to send 1099's to many service providers, and the 1099 process in the Accounts Payable (A/P) system works only for payments made by check directly to the service provider. Payments charged to a credit card bypass A/P. We recommend that all services be invoiced and paid for by Town checks to the vendors, not charged to Town credit cards. Any exceptions must be preapproved by the Town Administrator.

Retain a receipt for every payment or purchase made in person with your Town credit card, and turn the original receipt over to Finance Department as soon as possible after your trip or purchase with a clarification of the item purchased, the meeting attended, etc.

Whenever meals are charged, write on the receipt the names of those attending and the business purpose of the meal. If the card was used for a phone or Internet order, provide a copy of the order confirmation, registration form, flyer, catalog page, or other documentation describing the purchase and the price. The original receipts and other documents will be held until the monthly bill comes in.

When the bill arrives, the Finance Department will match it to the receipts and other documents being held. Then it will be coded to the appropriate departmental expenditure account and description to use for each purchase. The original receipts will remain attached to the statement.

DISPOSAL OF SURPLUS PROPERTY

The Town Administrator shall be empowered to take the following measures concerning items deemed obsolete or excess property (excluding real estate and vehicles) by the Department Heads:

Transfer property from one department to another.

Include surplus equipment as trades on replacement equipment.

Sell property by public auction or sealed bid. Said auction or sealed bid to be advertised seven days in advance. Sell for salvage or dispose of in an appropriate manner any items that are unsaleable or unwanted. The Town Administrator may waive the requirements of this policy if Town interests are better served through other negotiations or processes.

The Town Administrator will be responsible for tracking the disposal of surplus property.

Project Abstract Summary

This Project Abstract Summary form must be submitted or the application will be considered incomplete. Ensure the Project Abstract field succinctly describes the project in plain language that the public can understand and use without the full proposal. Use 4,000 characters or less. Do not include personally identifiable, sensitive or proprietary information. Refer to Agency instructions for any additional Project Abstract field requirements. If the application is funded, your project abstract information (as submitted) will be made available to public websites and/or databases including USAspending.gov.

Funding Opportunity Number

R23AS00109

CFDA(s)

15.507

Applicant Name

Town of Paonia

Descriptive Title of Applicant's Project

Watershed and Water System Strategy Plans for Resiliency in the Face of Change

Project Abstract

The Town of Paonia (Town) seeks USBR funds to help create a water system strategy plan for our entire water system from our watershed, where our springs are located, to our taps. The system serves 1309 taps (929 in town, 380 out of town) from 32 springs on the side of Mount Lamborn flowing into two basins and supplying two treatment plants. The springs also fill three reservoirs on the mountain and provide water to several ranches which graze cattle on the watershed. The study will investigate the intricacy and relational impacts of the system (the most complex in the State for a town of our size), its interrelated parts and users. The depth of seasonal snowpacks on Mount Lamborn have been erratic and slowly decreasing with hotter and drier summers. Scientific data for this area of the watershed generally indicate a decrease in water yields. The professionals conducting the study will work with local agencies and constituents, including the US Forest Service (USFS), cattle grazers, farmers, and municipal water users, to create a plan that will quantify past trends and predict future rain and snowfall yields, assess the state of the infrastructure, and prioritize infrastructure work necessary to mitigate changes from lengthening droughts and increasing heat, examine wildfire impacts and mitigation methods, as well as methods to preserve the Town's water rights. This work will add to the Colorado Water Plan database and better focus the Town's Capital Improvement Plan.



**TOWN OF PAONIA
BOARD OF TRUSTEES MEETING
STAFF REPORT**

| | |
|------------------------|--|
| AGENDA ITEM: | Agenda Item #2 - Ordinance 2024-03 Establishing a Finance Purchasing & Procurement Policy |
| SUBMITTED BY: | Stefen Wynn, Town Administrator/Treasurer |
| DATE: | 9.11.2024 |
| BACKGROUND: | <p>The Board of Trustees, and Town Staff have worked diligently to establish standards and best practices for purchasing and procurement since January, 2024. While completing the Purchasing and Procurement Policy Manual, it became apparent that the Town's Code was silent on purchasing policies. Due to the lack of policy in the Town's Code and Ordinance was created that adds a new Article 6 to Chapter 4 of the Town's existing Code for Revenue and Finance.</p> |
| BUDGET: | N/A |
| RECOMMENDATION: | <p>RECOMMENDED MOTION:</p> <p>I Move to Approve Ordinance 2024-03 Establishing a Finance Purchasing and Procurement Policy</p> |
| ATTACHMENT: | Attachment A: 2024-03 Ordinance Establishing a Finance Procurement Policy |

**TOWN OF PAONIA, COLORADO
ORDINANCE NO. 2024-03**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO
ENACTING ARTICLE 6 (PURCHASING AND PROCUREMENT)
OF CHAPTER 4 (REVENUE AND FINANCE) OF THE PAONIA
MUNICIPAL CODE**

WHEREAS, the Town of Paonia, Colorado is a statutory municipality organized pursuant to Colorado Revised Statutes (C.R.S.) §31-1-203; and

WHEREAS, C.R.S. §31-15-201 establishes Administrative Powers for statutory municipalities, and C.R.S. §31-15-302 establishes Financial Powers for statutory municipalities; and

WHEREAS, Chapter 4 of the Town of Paonia’s Municipal Code (the “Code”) sets forth the Town’s policies for Revenue and Finance; and

WHEREAS, the Board of Trustees for the Town of Paonia, Colorado finds and determines that the Town’s Purchasing Policy needs to be memorialized and codified and is in the best interest of the public health, safety and welfare of the Residents of Paonia to enact Article 6 of Chapter 4, Purchasing and Procurement Policy, of the Code as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO:

1. The foregoing recitals are incorporated by reference as findings and determinations of the Board of Trustees.
2. Article 6 of Chapter 4 of the Code is hereby enacted to read as follows:

Article 6. PURCHASING AND PROCUREMENT

Sec. 4-6-10. Purposes, Interpretation of Rules.

- (a) Interpretation. This Article shall be construed and applied to promote its underlying purposes and policies.
- (b) Purposes and Policies. The purpose of this Article is to provide for a purchasing procedure that the Town will follow in contracting for or constructing public works, purchasing tangible property and insurance policies, and obtaining consulting services.
- (c) The underlying purposes and policies of this Article are:

1. To clarify and standardize the procurement practices and procedures by the Town;
2. To permit procurement policies and practices;
3. To provide for increased public confidence in the procedures followed in public procurement;
4. To ensure fair and equitable treatment of all persons who deal with the procurement system of the Town;
5. To provide increased economy in the Town procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds of the Town;
6. To foster effective broad-based competition within the free enterprise system; and
7. To provide safeguards for the maintenance of a procurement system of quality and integrity.

Sec. 4-6-20. Procurement Contrary to this Article.

Except as otherwise may be provided by law, it shall be unlawful for any Town Officer or employee to order a procurement contrary to the provisions of this Article. Any procurement or contract so made shall be void and wholly without effect and shall not be binding upon the Town in any manner.

Sec. 4-6-30. Requirement of Good Faith.

This Article requires all parties involved in the negotiation, performance, or administration of Town contracts to act in good faith.

Sec. 4-6-40. Application of this Article.

This Article shall apply to every expenditure of public funds irrespective of their source, by this Town, acting through a governmental body as defined herein, under any contract; provided, however this Article shall not apply to either grants or contracts between the Town and other governments and federal assistance monies, for which, if necessary, the Town shall adopt specific purchasing policies related to such assistance monies. Nothing in this Article or in regulations promulgated hereunder shall prevent any governmental body from complying with the terms and conditions of any grant, gift, bequest or cooperative agreement.

Sec. 4-6-50. Expenditure Approval Authority.

The following amounts reflect expenditure approval authority limits. Expenditure limits must follow the provisions of §4-6-60 for purchasing and procurement of this Article.

- (a) Department Director, or their designee
 - 1. Less than \$3,000

- (b) Town Administrator/Treasurer
 - 1. Less than \$10,000

- (c) Board of Trustees
 - 1. Any amount \$10,000 or greater

Sec. 4-6-60. Purchasing and Procurement Manual.

This Article adopts a formal purchasing and procurement process as outlined in a Purchasing and Procurement Manual, passed by Resolution of a majority vote of the Board of Trustees, as may be amended from time to time.

Sec. 4-6-70 Emergency Purchases.

- (a) Emergency purchase orders may be issued when unforeseen circumstances require an immediate purchase to avoid a substantial hazard to life, health, and welfare of the Residents of Paonia; or there is an imminent threat to property or threat of serious interruption to the operation of a Town Department, or the necessary repair of Town equipment or heavy equipment required for the operation of a Town Department.

- (b) If an emergency arises, departments must work directly with the Town Administrator/Treasurer to obtain purchase authorizations through as normal purchasing processes as possible. If an emergency situation arises after normal Town business hours, a Department Head, or their designee, may authorize an immediate purchase of commodities or services, if necessary, after notifying the Town Administrator/Treasurer.

- (c) Authorization for emergency purchases shall be documented and properly included in the purchasing record as required. The department shall advise the Town Administrator/Treasurer of any emergency purchases as soon as reasonable after the commitment is made. An immediate report shall be made to the Board of Trustees by the Town Administrator/Treasurer detailing the purchase and the cause of the emergency.

- (d) The Town Clerk shall schedule a Special Meeting of the Board of Trustees as soon as practicable to address the reasons and circumstances for the Emergency Purchases.

Sec. 4-6-80. Waiver of Procedures.

Upon a majority vote, the Board of Trustees may approve a waiver of any of the provisions of this Article, after consideration of the particular facts and circumstances necessitating the request for waiver. All of the procedures herein may be modified to prevent the loss of any gift or grant to the Town.

Sec. 4-6-90. Cooperative Purchasing.

The Town Administrator/Treasurer is authorized to participate in joint bidding with other public agencies or entities when deemed to be in the Town’s best interests. The Town Administrator/Treasurer, in his or her sole discretion, may approve cooperative purchases that have been through similar processes as described in §4-6-60 of this Article with other public agencies or entities and is within his/her expenditure approval authority as listed in §4-6-50.

PASSED AND ADOPTED this 17th Day of September 2024.

Paige Smith, Mayor

ATTEST:

Samira M. Vetter, Town Clerk

Approved as to form and contents:

Clay Buchner, Town Attorney



**TOWN OF PAONIA
BOARD OF TRUSTEES MEETING
STAFF REPORT**

| | |
|------------------------|--|
| AGENDA ITEM: | Agenda Item #3: Resolution 2024-14 Adopting a Purchasing and Procurement Policy Manual |
| SUBMITTED BY: | Stefen Wynn, Town Administrator/Treasurer |
| DATE: | 9.11.2024 |
| BACKGROUND: | The Board of Trustees, and Staff have worked to implement a policy manual for purchasing and procurement. A Credit Card Policy was adopted by Resolution 2024-11 on July 23, 2024, and a draft of the Purchasing and Procurement Manual was presented to the Board on August 13, 2024. The Board of Trustees reviewed and submitted edits back to the Town Administrator/Treasurer on 8.21.2024. On 9.10.2024 the Trustees were presented with a final iteration of the manual. Ordinance 2024-03 states, "This Article adopts a formal purchasing and procurement process as outlined in a Purchasing and Procurement Manual, passed by Resolution of a majority vote of the Board of Trustees, as may be amended from time to time." This Resolution and Exhibit A collectively make up the Purchasing and Procurement Policy Manual for which Town employees will follow for all purchases. |
| BUDGET: | N/A |
| RECOMMENDATION: | RECOMMENDED MOTION: I Move to approve Resolution 2024-14. |
| ATTACHMENT: | Attachment A: 2024-14 Resolution Adopting Procurement and Purchasing Policy_rev.docx Attachment B: Exhibit A Purchasing Policy Manual_d9.10.2024 |

**TOWN OF PAONIA, COLORADO
RESOLUTION NO. 2024-14**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN
OF PAONIA, COLORADO, ADOPTING A PURCHASING POLICY
AND MANUAL**

WHEREAS, the Town of Paonia (the “Town”) is a statutory town in Delta County, Colorado;

WHEREAS, the Board of Trustees for the Town of Paonia determined that it is necessary to create a comprehensive purchasing policy and procurement manual.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO, COUNTY OF DELTA, STATE OF COLORADO:

The following Purchasing Manual attached as *Exhibit A* is declared the appropriate Purchasing and Procurement Policy for the Town. This resolution repeals and replaces Resolution 2024-11 Adopting a Credit Card Policy.

APPROVED AND ADOPTED this 17th day of September 2024, by the Board of Trustees, Town of Paonia.

TOWN OF PAONIA, COLORADO

Paige Smith, Mayor

ATTEST:

Samira M. Vetter, Town Clerk

Approved as to form and contents:

Clayton Buchner, Town Attorney



Town of Paonia

Purchasing Policy Manual

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INTRODUCTION

The purpose of this Purchasing Policy Manual (Manual), approved by the Town Administrator and the Board of Trustees, is to describe the acceptable conduct of purchasing activity for the Town of Paonia, Colorado following the guidelines outlined in the Colorado Revised Statutes (CRS). If there is a conflict with this Manual, the CRS are the superseding rules. The failure of a Town employee to comply with this Manual may result in disciplinary action, and may lead to a criminal investigation.

The Administration Department, which includes Finance and the Town Administrator's Office, is generally responsible for providing direction and guidance in all phases of material utilization, e.g. acquisition, storage, distribution, re-utilization, and disposal. Administration, with the assistance of individual Department Heads, also provides direction and guidance to departments on all matters relating to pre-requisition investigation of possible supply sources and alternative product examinations. The Manual instructs the Town of Paonia with how Administration, with the assistance of individual Department Heads, facilitates specification preparation, inspection and receiving practices, quality control, order follow-up, materials expediting, and the enforcement of the terms and conditions of purchase orders issued by the Town.

Further, this Manual is meant to ensure that a standard of integrity is met when purchasing goods and services on behalf of the Town. The Manual also provides for fair and equitable treatment by the Town of all persons involved in public procurement and maximizes the purchasing value of public funds. Finally, this Manual is meant to provide safeguards for maintaining a procurement system of quality and integrity, and foster effective, broad-based competition within the free enterprise system.

In Public Service,

Stefen Wynn *M.P.A.*

ICMA-CM

Paonia Town Administrator/Treasurer

1.0 ETHICAL STANDARDS FOR PURCHASING ACTIVITIES

1.1 Policy Statement

It is the policy of the Town of Paonia to promote government integrity and guard against the appearance of impropriety by prescribing the following essential standards of ethical conduct.

- (a) Town Employees shall discharge their duties impartially to assure fair, competitive access to governmental procurement by responsible contractors and to foster public confidence in the integrity of the Town's procurement system and processes.
- (b) Town Employees shall not solicit, demand, accept, or agree to accept a gratuity, an offer of employment, or any other benefit in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement, specification, standard, solicitation, or contract.
- (c) Town Employees shall not participate directly or indirectly in procurement when an employee knows that:
 - (1) The Employee or any member of the employee's immediate family has a personal financial interest pertaining to the procurement.
 - (2) A business or organization in which the employee, or any member of the employee's immediate family has a personal financial interest pertaining to the procurement.
 - (3) Any other person, business, or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning employment is involved in procurement.
- (d) Town employees who fail to comply with this policy may be subject to disciplinary action and criminal prosecution.

1.2 Discovery of an Actual or Potential Conflict of Interest

Upon discovery of an actual or potential conflict of interest, an employee shall promptly withdraw from further participation in the transaction involved and notify their Department Head, and/or Town Administrator. The Town Administrator will consult with the Town Attorney for an opinion whenever there is a question of an appearance of conflict.

1.3 Supplier Ethics

- (a) It shall be a breach of ethical standards for any person to offer, give, or agree to give any Town employee a gratuity, an offer of employment, or any other benefit in connection with any decision, approval, disapproval, recommendation, specification, standard, solicitation, or contract.

- (b) It shall be a breach of ethical standards for any person, or firm to present false documents, or falsely represent its firm.
- (c) Suppliers shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the Town's best interests. This obligation shall apply to suppliers' employees, agents, subcontractors, and third parties associated with accomplishing the work for the Town.
- (d) A breach of Manual Section 1.3 (a) or (b) may result in debarment for consideration of awards.
- (e) Personal purchases shall not be made by or for Town employees through the Town's procurement system or Purchasing Card program unless such purchases have been authorized as a special program available to all Town employees, or programs such as a duty firearm buy-back program, specifically for the employees of the Police Department.

1.4 Unlawful Purchases

If any office, department, or employee, other than employees specifically authorized to make purchases for their Department, contracts for any supplies, materials, equipment, or contractual services contrary to the purchasing policies as described in this Manual and provided in CRS, such purchase or contract shall be void and of no effect, and the cost shall not constitute a legal charge against the Town.

2.0 PURCHASING AUTHORITY

It is the Town's intent to reduce the total costs associated with the acquisition and management of commodities and services by purchasing competitively and wisely.

The Town Administrator/Treasurer and each Department Head are designated as the Town's Purchasing Agents (collectively known as Town Management), with respect to the limits and thresholds as may be established, set, and modified by the Board of Trustees.

2.1 Scope

Administration, the Town Clerk, and Department Heads shall:

- (a) Review all purchasing activity for compliance with the Purchasing Manual and associated Purchasing Policies.
- (b) Assist departments in the development of solicitation documents, manage the formal, public solicitation process, receive, and distribute responses to solicitation received to appropriate Department Heads.
- (c) Assist departments with external requests for information in accordance with the Colorado Open Records Act (CORA).
- (d) With the Town Attorney's office, manage contract development, negotiations, execution, approval, and archive processes as assigned.

- (e) Assist with the sale, auction, or disposal of all property determined to be surplus to the Town's needs in accordance with CRS.
- (f) Review and approve Sole Source Justification (SSJ) and Request to Proceed (RTP) requests within parameters of assigned authority.
- (g) Initiate and manage centralized procurement activity for goods and services consistent with the strategic procurement goals of the Town.

2.2 Objectives

- (a) To provide increased economy in the Town's procurement activities and to maximize, to the fullest extent practicable, the value of public funds expended for purchased materials, or services.
- (b) To provide safeguards that ensure the maintenance of a procurement system of high quality and integrity.
- (c) To ensure the fair and equitable treatment of all persons and businesses that deal with the Town for purchasing, or procurement.
- (d) To buy the right material of an appropriate quality and in the correct quantity at the right time from the proper source.
- (e) To reduce the overhead cost of purchasing by using an efficient workflow that reduces the volume of individual orders and minimizes paperwork.
- (f) To seek values that provide the best combination of price, quality, and service.
- (g) To reduce costs by consolidating departmental requests and making volume purchases.
- (h) To promote a system of procurement standardization throughout the Town whenever appropriate and practical.

2.3 Competitive Purchasing – Generally

- (a) The Town is committed to a program of purchasing competitively and wisely. Departments are forbidden to artificially divide purchase requisitions to circumvent any competitive bidding requirement. In addition, no department or employee shall draft or cause to be drafted any specifications in such a manner as to limit the bidding directly or indirectly to any one specific concern, or any specific brand, product, thing, or service. Certain items are approved as exempt from competitive bidding requirements or are approved as sole source purchases as provided for under Manual Section 2.4 – Exceptions, and Section 3.5 – Sole Source Requests. Administration's objective is to obtain competition from responsible

suppliers, and to ensure that the materials purchased through competition are properly suited to the job that they are intended, both as to price and quality.

- (b) Administration is authorized to make purchases from other public agencies without seeking competitive bids and may use Cooperative Purchasing Programs and other recognized types of agreements used by governments to combine agency requirements for purchases. However, the prices paid must be competitive with comparable products offered in the marketplace.
- (c) Except as otherwise provided by law, the Town may reject all bids received during a response to a solicitation if it is determined that the price, terms, or surrounding circumstances of the bids received are such that award of a contract based on that solicitation would not be in the Town's best interests.

2.4 Exceptions to the Competitive Process

The Administration Department maintains a list of goods and services where competitive bids are not required, and issuance of a purchase order is not mandated.

Except as otherwise directed by law, or by the Board of Trustees, competitive bidding is not required for the following purchases:

- Any good/service or combination of goods and services under \$1,000.
- Any good/service purchased with a Purchase Card under \$1,500.
- Any good/service made during the normal course of a contract or agreement that has already been through a competitive bidding process (Cooperative Purchasing, State Bid, etc.).
- Advertising (employment, bid advertisements, public notices, etc.)
- Benefit Payments – Human resources (medical/dental/life/LTD Insurance, etc.)
- Books, periodicals, and similar items.
- Town & County shared services (operating expenses only)
- Classes, Training, and Similar events.
- Conference/Seminar Registration Fees.
- Copying/Duplication Services.
- Debt Payments.
- Emergency Purchases.
- Emergency Medical Expenses.
- Employee Reimbursements.
- Fees – Bank, Filing, Tax, Title, License, Vehicle Registrations, etc.
- Grant pass-through payments (one-time only and contract not required).
- Insurance Premium Payments.
- Intra-agency payments.
- Lodging.
- Meals and Refreshments.
- Membership Dues/Fees.
- Postage.

- Rebates/Refunds.
- Shipping.
- Sponsorships (approved as part of the fiscal budgeting process).
- Subscriptions (newspaper, magazine, electronic, online).
- Temporary Agency Services and Contracted Employees.
- Travel (airfare, train tickets, rideshare, etc.).
- Utility Payments (telephone, internet, gas, water, electric).

2.5 Procurement Thresholds

Supplier selection shall be based on a competitive process whenever feasible and when in the Town's best interests.

A verbal or written solicitation shall be made as follows:

(1) Commodity Purchases/Contracts to \$1,000

Departments are authorized to make purchases up to \$1,000 without a requirement for a purchase requisition or purchase order. Use of a Purchasing Card or Credit Card is encouraged for purchases at this level. Departments are encouraged to obtain competitive pricing and "shop around", but competitive bidding is not required.

Issuance of a purchase order for purchases \$1,000 and below is not mandatory. Payment via a Purchasing Card or Credit Card, or direct invoice entry is acceptable.

(2) Commodity Purchases/Contracts \$1,001 to \$5,000

Departments are authorized to solicit suppliers at this level. Comparison shopping is strongly encouraged. Formal purchase orders must be issued for purchases of goods and services between \$1,001 and \$5,000. Departments must attach to the electronic requisition at least three (3) documented quotes attached to the requisition that contains the scope of work or item(s) to be purchased. One (1) "no bid" from a qualified vendor can be used to satisfy (1) of the three (3) required bids. Documentation of quotes must be attached to the electronic requisition to verify compliance.

(3) Commodity Purchases/Contracts \$5,001 to \$10,000

(a) Departments are authorized to solicit suppliers at this level with prior approval from the Town Administrator/Treasurer. A minimum of three (3) written quotations are required for the commodity or service. One (1) "no bid" from a qualified vendor can be used to satisfy (1) of the three (3) required bids. Documentation of quotes must be attached to the electronic requisition to verify compliance.

(b) Informal Bidding Process Required.

- a. Written quotes are required as referenced above.
- b. The Town Administrator/Treasurer may waive written quotation requirements if it is determined that it is not practical or advantageous to the interest of the Town. Such a determination shall be made in writing with justification from the Town Administrator/Treasurer. Proposals in this range

must be submitted to the Town Board for approval before the purchase can be made.

c. Steps to Complete an Informal Bid:

- i. Develop Specifications. Upon finalization of the specifications, prepare any documents required by the informal bid.
- ii. Disseminate specifications to relevant vendors, including dissemination by email, mail or other method as appropriate.
- iii. Evaluate the bid results and determine which bid serves the Town's best interests.
- iv. Prepare a Purchase Order and obtain required approval for the level of purchasing.

(4) Commodity, Service, & Construction Purchases/Contracts \$10,001 and Greater

Purchases of goods and services \$10,001 and greater require a formal, public bid process. The project manager or designated staff member must work with the Finance Department to develop the appropriate formal solicitation document. Once the solicitation document is finalized, the solicitation will be posted on a website used by the Town for procurement purposes for an agreed upon timeframe, which is typically no less than thirty (30) days. The use of electronic vendor submissions is strongly encouraged.

(5) Consulting Services

Any purchase of consulting services may require a formal contract to be completed and signed by the Mayor, the Town Administrator, the Town Attorney, and the Town Clerk.

2.6 Emergency Purchasing

Emergency purchase orders may be issued when unforeseen circumstances require an immediate purchase to avoid a substantial hazard to life, health, and welfare of the Residents of Paonia; or there is an imminent threat to property or threat of serious interruption to the operation of a Town Department, or the necessary repair of Town equipment or heavy equipment required for the operation of a Town Department.

If an emergency arises, departments must work directly with the Town Administrator/Treasurer to obtain purchase authorizations through as normal purchasing processes as possible. If an emergency situation arises after normal Town business hours, a Department Head, or their designee, may authorize an immediate purchase of commodities or services, if necessary, after notifying the Town Administrator/Treasurer.

Authorization for emergency purchases shall be documented and properly included in the purchasing record as required. The department shall advise the Town Administrator/Treasurer of any emergency purchases as soon as reasonable after the commitment is made. An immediate report shall be made to the Board of Trustees by the Town Administrator/Treasurer detailing the purchase and the cause of the emergency.

2.7 Change Order Management

Change orders to projects that have previously been approved is commonplace. If a change order results in a total project value surpassing the formal bid threshold, Town management approval must be secured. In addition, a project previously issued with a value of \$50,000 or greater, that has a change order value increase of 10% or greater, also requires approval of the Town Administrator/Treasurer.

The Town Administrator/Treasurer and the Department Head shall work with the Town Attorney's Office to update, as appropriate, any accompanying contract changes resulting from the change order for the project.

2.8 Standards

The Finance Department is primarily responsible for standardization. Standardization is the organized process of obtaining solutions to common problems by establishing agreement on specific quality, design, size, color, etc. and the established agreement as a standard.

The Town purchases many products that are standardized (carpet, furniture, copy paper, office supplies, etc.). When standards are adopted, only items meeting those standards may be purchased. However, no standard is meant to be unchangeable, and each standard is subject to review on a case-by-case basis and referred to the department with related expertise. The Finance Department shall be the chair of any such committees, which may include department heads or their representatives, and/or other staff.

2.9 Local Preference – Purchases of Goods and Services

It is the Town's goal to promote the purchase of services and goods provided by United States companies and employees, with a strong preference for local vendors. Off-shore services are defined as services provided from an off-shore location (foreign country). Examples of such services may include, but are not limited to, customer support services, telemarketing services, and financial auditing services.

Preferential considerations for local vendors or contractors will be given for non-capital purchases in the event that solicited bids from local vendors are within 10% of non-local vendor bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or Finance Department to be equal to non-local vendors.

For the purposes of this policy, a vendor is considered local if it has maintained a place of business in Delta County, Colorado, for at least twelve (12) months prior to date of bid solicitation, at least 50% of the employees are Delta County, Colorado residents, and at least 50% of the fleet used for the project are registered within Delta County, Colorado.

Preferential consideration for local vendors or contractors will be given for Capital purchases in the event that solicited bids from local vendors are within 2% of non-local vendors' bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or the Finance Department to be equal to non-local vendors.

For the purposes of this part of the policy as it applies to Capital purchases, the following terms are applicable:

- The vendor has maintained a place of business in Delta County for at least twelve (12) months prior to the date of the bid solicitation.
- Fifty-one percent (51%) of the work is self-performed (49% or less is performed by a subcontractor).
- Whether or not this policy will apply will be determined on a case-by-case basis at the discretion of the Board of Trustees at the time the project is authorized for bid. Local preference will be stated in each and all bid documents.
- If a vendor has received a 2% credit in the preceding year and the contract is still in place at the time the bid is solicited, the vendor does not qualify for the 2% local preference.

2.10 Environmental Purchasing

The Town's goal is to reduce the effects of climate change generated by government operations. Purchasing activity is encouraged to use and buy recycled and environmentally preferable products. The purchasing of products that are recycled or environmentally preferable strengthens the markets for such products, diverts more materials from the solid waste stream, and promotes both human and environmental health.

Purchasing agents have the following options:

1. Accept a bid which is not the lowest if:
 - A. The lowest bid is for a non-recycled product; and
 - B. A recycled content product meets the performance criteria specified; or
 - C. A bid other than the lowest bid meets the criteria for environmentally preferable products or services; or
 - D. A cost analysis is conducted over the life and disposal of the product that reveals lower total costs than are reflected in short-term analysis.
2. Award a portion of the contract to bidders offering recycled content or environmentally preferable products.

2.11 Results – Driven Contracting

The Town supports initiatives to integrate Results – Driven Contracting (RDC) strategies and data-driven decision processes into its solicitation, evaluation, award, contracting, and project management processes. RDC and data-based decision making serve as a foundational element to meeting organizational objectives and promoting a high performance, transparent government. Where practical, RDC practices and data-based decisions should be incorporated

into procurement activities. RDC and data-based decision methodologies are available through the Town Administrator/Treasurer's Office, one such resource is the Harvard Kennedy School's article: What is Procurement Excellence?

2.12 Underserved Business Program

The Town commits itself to applying a racial equity lens in its decision-making with the goal of continuing to build an equitable community to ensure a healthy community for all Paonia Residents and visitors.

There is an inherent need within the commercial makeup of the Town to expand small businesses within the Town's marketplace to increase the tax base, to provide new employment opportunities, to stimulate economic development, and to assist in the implementation of the comprehensive plan for the Town.

The Town encourages all underserved businesses to submit responses to all solicitations. The Town will promote the use of underserved businesses by encouraging staff to consider these businesses for award in all solicitations by including it as an appropriately weighted and scored criteria in the evaluation of all vendor submissions. The Town will participate in outreach programs to aid underserved businesses in understanding the Town's procurement process, improve their access to solicitations, and increase the visibility of underserved businesses within the organization.

The Town will permit vendors to self-identify any underserved business status which will be maintained in the vendor files of the ERP system (Caselle). The Town may perform periodic audits to determine if the vendor certifications are current and valid.

The Town will measure awards made to underserved businesses on a regular basis and review award amounts against stated organizational goals.

3.0 Types of Solicitations

Solicitations are purchasing processes designed to seek and obtain goods and/or services. Four types of solicitations utilized by the Town for purchasing are discussed in this section.

- Request for Information (RFI) – RFIs are used to obtain general information from the vendor community on a specific topic related to a project. RFIs are a market research tool used to obtain price, delivery, capabilities, interest, etc. for planning purposes. RFIs must clearly indicate that an award of contract will not automatically follow.
- Request for Qualifications (RFQ) – RFQs are used when requirements are uncertain, and the project manager is seeking potential vendors to provide proposals once requirements have been finalized. RFQs are solicitations documents that request submittal of qualifications or specialized expertise in response to the scope of services required. Pricing is not solicited with RFQ documents issued prior to RFPs, but typically describe the project in enough detail to let potential bidders determine if they wish to compete, and forms the basis for requesting qualifications submissions in a two-phase or prequalification process. Used most often with construction projects.

- Invitation For Bid/Request for Quote (IFB/RFQ) – IFBs/RFQs are formal requests to prospective bidders soliciting price quotations or bids. IFBs/RFQs contain, or incorporate by reference, the specifications of the scope of work and all contractual terms and conditions. An IFB/RFQ is only a solicitation, and it does not qualify as an offer since the Town will review bids and select a vendor prior to entering into a binding contract. Awards are generally made to the lowest priced quote.
- Request for Proposals (RFP) – RFPs are generally used when there are a variety of ways to meet a need, specifications are not available or not fully determined, and/or when professional services or certain personal services are required. RFPs are typically documents used in sealed-bid procurement procedures through which a buyer advises potential bidders of the statement and scope of work, specifications, schedules or timelines, contract type, data requirements, terms and conditions, description of goods and/or services to be procured, general criteria used in evaluation procedure, special contractual requirements, technical goals, instructions for preparation of technical, management, and/or cost proposals. RFPs are publicly advertised, and bidders respond with a detailed proposal, not just a price quote. They provide for negotiations after sealed proposals are opened, and contracts may not necessarily be awarded to the lowest bidder.

3.1 Request for Information (RFI)

a) When to Use:

1. An RFI may be used to obtain general information from vendors regarding products and services. Responses to RFIs are often largely assembled from vendor standard literature for a good or service. RFIs generally contain no project specific financial or cost information and do not result in an award.

- b) Acceptance of Late Submissions: Late submissions may be accepted with the discretionary approval of the Finance Department and when in the Town's best interests.

3.2 Request for Qualifications (RFQ)

a) When to Use:

1. An RFQ may be used to obtain specific information regarding a vendor's qualifications and ability to provide supplies, equipment, and certain services. RFQs contain more specific vendor information and responses may be tailored to highlight a vendor's capability to meet a specific scope of work for a Town project. RFQs generally contain no specific financial or cost information and do not result in an award.

- b) Acceptance of Late Submissions: Late submissions to an RFQ may only be accepted with the discretionary approval of the Town Administrator/Treasurer and when in the Town's best interests.

3.3 Invitation for Bid/Request for Quotes (IFB/RFQ)

- a) When to Use: An IFB/RFQ may be used to obtain supplies, equipment, and certain services that can be clearly specified and awarded to the lowest responsible, responsive bidder. The IFB/RFQ is also used for public construction projects valued at \$50,000 and above.

1. Pre-Qualification of Bidders: A two-step process may be used to pre-qualify bidders when deemed appropriate by the Finance Department. Bidders are pre-qualified by responding to an RFI/RFQ to establish competency. The information requested from vendors may include financial background, capacity to perform, lines of credit, manufacturers' authorizations and relevant experience.

Qualified bidders may then be asked to participate in a price solicitation via a targeted IFB process.

2. Prequalification of Commodities: Commodities may be prequalified through study and recommendation by an evaluation team for the specific project.

3. The Following Factors, Among Others, May be Used for Prequalification:

- Quality of commodities or services
- Experience with the commodities involved
- Maintenance cost
- Economic life cycle cost
- Length of time the commodity has been on the market
- Compatibility of existing equipment
- Available warranties
- General reputation and experience of the bidder
- Evaluation of the bidder's ability to serve the Town
- Prior knowledge of experience with the bidder in terms of past performance
- Other legal protection provided in the purchase

- b) Format for IFB/RFQ Document: IFB/RFQ are prepared by the Department seeking the to purchase with guidance from the Town Administrator/Treasurer. IFB/RFQ documents are to use specifications and Scope of Work information provided by the Project Manager. IFBs contain the following elements:

1. Specifications: Clear, concise specifications must be provided. Frequently, specifications state, *Brand Name or Equal*. *Brand Name* includes identification of products by manufacturer, make, and model. Such identification is intended to be descriptive, but not restrictive. Bidders offering an *equal* must submit complete specifications and/or samples with their bids. Determination of equality shall be at the sole discretion of the Town. If it has been justified and accepted by the requesting department and the Finance Department or an evaluation team has determined that only one brand can meet the Town's expectations, *no exceptions* shall be noted in the specifications.
 2. Responsibility Criteria: Include items such as business references, plant capacity, credit data, financial statements, recent tax returns, licenses, bonding and insurances.
 3. Bid Submission Information: Includes the time and date for bidder's conference (if applicable); where, when, and how bids are to be returned; contacts for information during the solicitation period; required signatures on bids; cost/price submission instructions, etc.
 4. Terms and Conditions: Include standard terms and conditions that will be incorporated in the purchase order/contract and any special conditions in the bid document.
- c) Acceptance of Bids: Bids must be received prior to or at the time specified in the bid. Late bids shall not be considered under any circumstances.
- d) Bid Opening: The Purchasing Agent (may be a department director, deputy director, Town Administrator, etc.) or designee shall administer all bid openings and all hard copy bids shall be opened in the presence of one or more witnesses at the time and place designated in the IFB. The opening of the bids shall be recorded by video, voice or both.
- e) Rejection of Bids: The Town may reject any or all bids when deemed to be in the Town's best interests; reject any bid not accompanied by any required bid security or by other data required by bid documents; reject any bid which is in any way incomplete, irregular, or otherwise not in compliance with bid documents in all material respects or reasonable interpretation; and/or waive any informality, irregularity, immaterial defect, or technicality when deemed to be in the Town's best interests.
- f) Bid Award Consideration
1. Cost Factors: in addition to the total bid price (including any discounts), unit or extended price, and administrative costs (if applicable), hourly rates for specified personnel, the Town's administrative costs, maintenance costs and warranty provisions may be considered. Life cycle costs, repurchase value, residual value of equipment after a specified number of years, and or cost and

rate of use of consumables may be considered in cases where these costs are relevant and measurable.

2. The following responsibility factors may be considered:

- Bidder's general reputation and experience.
- Bidder's ability to service the Town.
- Bidder's financial ability to successfully meet the requirements of the contract.
- Town's prior knowledge of and experience with the bidder in terms of past performance.
- Nature and extent of company data furnished by bidder upon request of the Town.
- Size and location of the bidder's warehouse.
- Bidder's ability to meet delivery and stocking requirements.
- Bidder's experience with the commodities or systems.
- Length of time the commodities or systems have been on the market.

Awards shall be made to the lowest, responsible, responsive bidder(s). A responsible bid is one that has demonstrably met the following criteria in the solicitation:

1. Capacity to perform – fiscal, physical, experience on schedule, etc.
2. Ability to comply with applicable laws and regulations – licenses, insurance, bonding, etc.

3. The following responsiveness factors may be considered:

- Adherence to all conditions and requirements of the bid specifications.
- Quantity and quality of merchandise or service offered.
- Compatibility and/or continuity with existing commodities or systems.
- Overall completeness of the commodity line or service offered.
- Delivery or completion date.

A responsive bid is one that adequately meets all solicitation requirements. To be responsive, the bid or proposal must not constitute a different offer or make substitutions for requirements stated in the solicitation.

4. Local Preference: When all other factors are determined to be equal, preference shall be given to firms meeting the conditions of Policy 2.9 – Local Preference.

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3.4 Request for Proposals (RFP)

- a) When to Use: An RFP may be used when the Town's requirements are not precisely defined or quantified. RFPs are required to be used when it is necessary to obtain the services of professional consultants, contractors, architects, engineers, and design firms when the contract for services is expected to exceed \$50,000. Awards made as a result of RFP solicitations are not based solely on cost factors but upon the technical and programmatic superiority of the offeror's proposal. However, the selected proposal should include a price that is within reasonable proximity of other qualified offerors.
- b) Pre-Qualifications: It is sometimes advantageous to conduct a two-phased RFP process in which the first phase is a pre-qualification of firms. This initial phase screens potential offerors for qualifications prior to requesting proposals.
- c) Advertising/Notice: If appropriate, an advertisement announcing the RFP should be placed in at least one local newspaper of general circulation. Notice should be made through the Town's online bidding announcement platforms, including but not limited to the Town's website. Notice may also be sent to firms identified by Town management and the requesting department, other interested firms and/or those firms who have been screened through a prequalification process.
- d) Basic RFP Format: To develop consistency in the preparation of RFPs, a standardized RFP format must be used. Using this format helps to ensure that the RFP contains adequate information about the needed service, facility or program and the RFP requirements. More technical proposals may require additional information. The Town Administrator/Treasurer, or their designee, will assist in the development of RFPs. The basic format for the preparation of an RFP, including a description of what should be included in each section follows:
 1. General Project Description: Provide a summary of the needed facility or program and a general description of the services required.
 2. Project Background: Provide relevant background information on the project. A description of the site or program, significant historical data and information on existing facilities and/or programs may be provided. A clear concept of the needed facilities or program should be outlined. A vicinity map and scale site map may be provided. Any available resources such as completed studies, surveys and preliminary feasibility work that are relevant to the project and available to consultants on the overall project budget, including funding sources, may be listed if available.
 3. Scope of Work: Provide the scope of work and services needed in detail. Provide a clear understanding of what will be required, including items such as the degree of community input expected and any required time schedules. Clearly define whether the consultant or the Town will be responsible for related services such as obtaining feasibility studies and permits, coordinating construction, conducting public meetings, and developing

budgets. If construction coordination is required, the consultant's role and level of responsibility should be clearly defined to ensure contractor compliance related to construction documents and responsibilities for contract administration.

4. Services and Materials to be Provided by Town: List all services to be provided by the Town, and available documents relative to the project. Typical services that may be handled by either Town Staff, or the Contractor include, but are not limited to, obtaining surveys, processing permits, coordinating construction, preparing bid documents, obtaining geological data, and conducting public hearings and/or meetings (including open houses).
5. Town Liaison (Point of Contact): Provide the name and contact information of the person acting as the Town's liaison on the project, if applicable, and advise the consultants to direct all questions regarding the project to the liaison.
6. Terms and Conditions: Include the Town's standard contract terms and conditions and insurance requirements. If an increase in insurance policy limits is necessary, based on project value or type, include that information in a separate section of the RFP package. Contact the Town Administrator/Treasurer to obtain the appropriate language for insurance requirements if necessary.
7. Selection Criteria: List the criteria that will be used to evaluate proposals and the relative importance of each criterion. Outline the process that will be used to select a contractor. A rating sheet may be prepared which lists the selection criteria and their relative weighting in the scoring process. A copy of the rating sheet may be provided to the offerors so that they understand the scoring factors and their relative importance to each other.
 - Typical selection criteria may include the following:
 - Technical approach.
 - Qualifications of firm.
 - Qualifications of the specific personnel who will work on the project.
 - Project management and adherence to required time schedules. *Consideration may be given to the location of the firm's office and the resulting availability of the firm for meetings with staff and the public, if necessary.*
 - Cost.
 - References.
8. Proposal Requirements: List the specific proposal requirements including the date, time and place for submittal, and any specific insurance, licensing or legal requirements.

- Typical proposal requirements may include, but are not limited to, the following:
 - Name, address, contact email address, and telephone number of the business submitting the proposal.
 - Identification of the project manager, and/or principal contact.
 - A complete description of the approach to the analysis and how the major work elements are to be accomplished.
 - Detailed estimate of work hours per task.
 - A listing of personnel who would perform the work, including any subcontractors, and the amount of time that each would commit to the project by task.
 - Reference information including contact information.

- e) Acceptance of Proposals: Proposals are to be received at the time and place specified in the RFP. All proposals will be date-stamped upon arrival. Late proposals will only be considered when it has been determined to be in the Town's best interests to do so and may only be accepted within twenty-four (24) hours after the scheduled closing. Approval of the Department Head, or their designee, and, if the proposal is administered by the Finance Department, the approval of the Town Administrator/Treasurer shall be required for acceptance of late proposals.
 1. A Responsible proposal is one that has demonstrably met the following criteria in the solicitation:
 - Capacity to perform – fiscal, physical, experience and schedule.
 - Ability to comply with applicable laws and regulations – licenses, insurance and bonding.

3.5 Sole Source / Request to Proceed

The Sole Source/Request to Proceed policy should be followed for purchases \$10,001 and greater where a competitive solicitation process will not be used. A sole source justification is to be used in a situation where only one vendor can provide a solution for the Town. A request to proceed is to be used in a situation where the normal procurement process cannot be followed. Sole Source justifications or Requests to Proceed are strongly discouraged and must be signed by the Town Administrator/Treasurer at any dollar amount.

Circumstances sometimes require that certain goods and services can only be feasibly obtained from a single or sole source. Sole Source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process.

Sole source justification is not needed in cases where a contract renewal provision, or continuation of services, is expressly stated in the solicitation.

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a) The following factors, if verified, may justify sole source purchases:

1. What capability does the proposed contractor have that is critical to the specific effort and makes the contractor clearly unique compared to other contractors in the same general field?
2. What prior experience of a highly specialized nature does the proposed contractor have that is vital to the proposed effort?
3. Does the proposed contractor have a substantial investment that would need to be duplicated at the Town's expense by another contractor entering the field?
4. If timelines are involved, why are they critical and why can the proposed contractor best meet them?
5. Is competition precluded because of the existence of patent rights, or copyrights?
6. Does this acquisition require compatibility with any existing Town equipment?
7. What unique characteristics does the equipment or material offered by the proposed contractor possess that are required to meet the Town's needs?
8. Is competition precluded because of existing equipment maintenance program/contracts/warranties?

b) Documentation/Approval

Sole source requests should be documented through a memorandum outlining the justification and submitted to the Town Administrator/Treasurer for consideration. The requesting employee must notify their respective department director and provide the Town Administrator/Treasurer with evidence of concurrence from the director.

The Town Administrator/Treasurer is authorized to approve sole source requests valued up to \$5,000. Any Sole Source requests over that amount must be approved by the Board of Trustees and must have received a favorable recommendation from the Town Administrator/Treasurer prior to being placed on an agenda for consideration.

c) Negotiation

Sole source acquisitions require non-competitive negotiation and may require price/cost analysis by the Finance Department to determine price reasonableness.

4.0 Contract Procurement Policies

This section describes procurement policies for the various types of purchases and agreements utilized by the Town of Paonia.

a) Length of Contract Term

Generally, the Town does not enter into contracts for longer than one (1) fiscal year. While contracts for the purchase of commodities/equipment may be renewed annually, all contracts for commodities and equipment must be reviewed for certification or renegotiation not less than every five (5) years to ensure the Town is still receiving good value for the public.

b) Consolidation

Contracts shall be consolidated whenever feasible. Contracts shall not be intentionally split to avoid approval or procurement requirements.

4.1 Commodities/Equipment

Commodities/Equipment contracts include all contracts and purchase orders for supplies, materials, and equipment. Equipment (fixed assets) is defined as a capital asset costing \$5,000 or more, and its useful life expectancy is one year or more.

4.2 Services

a) Continuing Services Agreements/Contracts (CSA)

For services, it is advisable to establish and implement Continuing Services Agreements (CSAs). CSAs can be beneficial in circumstances where the same type of service, such as consulting, landscape services, laundry services, janitorial services, security services, etc., are repetitive in nature and potentially needed by multiple Town departments.

The Finance Department may establish a CSA after reviewing Town departmental needs for a specific type of service and analyzing vendor responses to an RFP conducted by the Finance Department based on biddable specifications, qualification, and/or an informal review of competitiveness of rates for other similar services. A CSA enables the Finance Department to take advantage of any economy of scale resulting in significant savings to the Town by standardizing and fixing cost rates for a service over an extended period of time. It also allows departments to utilize the service without having the burden of developing their own separate independent contractor agreements for the same type of service. CSAs are generally issued for

individual projects that do not exceed \$50,000 in value. CSAs can be renewed for an additional four (4) years at the option of the Town as determined by the Town Administrator/Treasurer in consultation with the Finance Department and the department that uses the contract. After issuance of the CSA, the Finance Department has primary responsibility for renewal and places the agreement on the Town's continuing list of agreements.

b) Qualification Based Selection (QBS)

Certain professional consulting services (engineering, architect, etc.) may be awarded under a QBS process using Town approved guidelines for award of those services.

QBS contractors are typically selected via a public, competitive process (typically via RFQ) where vendors are selected primarily based on their qualifications. Award to a QBS vendor must be supported by a receipt of competitive proposals from other QBS contractors for the scope of work to be awarded. This helps to ensure that a QBS award is based on rates that are commensurate with rates from peer group companies.

A purchase order is necessary to facilitate payment against a QBS contract.

4.3 Software

Software is defined as any computer program installed on a Town of Paonia computer ("Licensed Software") or accessed by a Town employee in the course of their work ("Hosted Software" or "Software as a Service" also known as "SaaS"). Software of any type may only be purchased through the use of an IT Agreement for Software and Services, which is first reviewed by the Town's IT provider, and approved by the Town Administrator/Treasurer and the Town Attorney's Office before placing on an agenda for approval by the Town's Board of Trustees.

5.0 Formal Solicitation Policy

A formal solicitation is required for the purchase of goods and services that have a value of \$10,000 or greater.

Formal bidding is a procurement method involving competitive sealed offers that require:

- Adoption of plans, specifications, working details, scope of work, etc.
- Formal advertising in a general circulation newspaper during a solicitation process typically not less than (10) days.
- Submissions at a pre-designated time and place depending on the project needs.
- Referral of submissions to the department for evaluation.
- Award of a contract to the responsive and responsible vendor who has submitted the lowest bid that meets the requirements and criteria set forth in the invitation for solicitation.

- Notice of award to the selected bidder.
- Completion of all required contract documentation.
- Notice to proceed is issued to the contractor.
 - If grant funded, a notice to proceed from the granting agency is required before any work is to proceed by the contractor and must be received by the Town before a notice to proceed is sent to the contractor by the Town.
- The notice inviting responses shall state the time and place for submissions and distinctly state the project to be completed and the place where plans, scope of work, and specifications are on file.
- In addition to the notice published in a newspaper of general circulation, the Finance Department may also publish notice in a trade publication and/or through other means designed to encourage competition, such as bidnet.

5.1 Bid Documents

a) Copies of Bid Documents

- 1) Bidders shall use complete sets of bidding documents in preparing bids; the Town will not assume any responsibility for errors or misinterpretations resulting from the use of incomplete sets of bidding documents, or documents not received directly from the location where the Town has posted the documents.
- 2) The Town makes copies of the bidding documents available on the above terms only for the purpose of obtaining bids for the specified commodities or services and does not confer a license or grant for any other use.

b) Interpretation or Correction of Bidding Documents

- 1) Bidders shall promptly notify the Finance Department of any inconsistency or error discovered upon examination of the bidding documents, or of the site and local conditions.
- 2) Any interpretation, correction or change of the bidding documents will be made by written addendum. Interpretations, corrections or changes of the bidding documents made in any other manner will not be binding, and bidders shall not rely upon such interpretations, corrections and changes.

c) Alternate Bids

- 1) The materials, products and equipment described in the bid documents establish a standard of required function, dimension, appearance and quality to be met. An equal product must meet minimum specifications and the burden of proof of merit of proposed alternate or substitute is on the bidder.

- 2) Non-solicited alternates may be considered for award if submitted by the bidder who would otherwise be the low bid.
- 3) Solicited alternates may be awarded based on the sole judgement of the Town.

d) Addenda

- 1) Addenda will be posted at the same location as the original solicitation.
- 2) No addenda will be issued later than two (2) calendar days prior to the date for submissions except an addendum withdrawing the request for submission or one that includes the extension of the due date.
- 3) Each bidder shall be responsible for ascertaining prior to submitting a bid that it has received all addenda issued.
- 4) Bidders shall acknowledge receipt of addenda to receive award consideration unless otherwise indicated in the bid documents.

5.2 Form of Submission

To receive consideration, submissions shall be made on the forms and in the manner described and/or provided within the solicitation.

- Late submissions to a solicitation may only be accepted with the discretionary approval of the Town Administrator/Treasurer and when determined to be in the Town's best interests.
- Each bid must be signed by an authorized vendor representative, include the legal name of the company, and a statement of non-collusion signed by the company.

5.3 Bid and Project Security

A bid bond or bid deposit (certified or cashier's check) made payable to the Town of Paonia is required to protect the Town in the event the bidder awarded the contract does not execute the contract, furnish any required performance bond, and/or proceed with performance. A required bid bond or bid deposit must be submitted with the bid and be the amount as specified in the solicitation. In the event a low bidder is allowed to withdraw its bid due to claim of error, the Town may retain the bid guarantee.

For construction projects valued at \$50,000 or greater, the Town may choose to withhold retainage to be used to satisfy unresolved project claims.

5.4 Receipt of Bids

All bids must be received in accordance with the instructions in the solicitation document.

5.5 Opening of Bids

The purchasing agent or designee shall administer all bid openings and coordinate them with the Town Clerk's office. The Town assumes no responsibility over the confidentiality of bid information unless specifically stated otherwise in the solicitation document.

5.6 Correction or Withdrawal of Bids

Mistakes in submissions detected prior to opening may be corrected or withdrawn by the submitting vendor. Any request made to correct or withdraw a submission prior to opening must be made by a bona fide representative of the bidder. Mistakes in bids detected during or after a bid opening may not be corrected by the bidder.

Exceptions allowed to be corrected include:

- A vendor may be permitted to correct a material mistake that would cause such vendor to have the low-cost submission if the mistake is clearly evident from examining the document; for example, mathematical errors. However, a vendor shall not be permitted to correct a bid for errors of judgement. The vendor of the lowest cost submission shall not be permitted to increase its price and still be considered the low bidder.
- An otherwise low bidder may be permitted the opportunity to furnish other information called for by the solicitation and not supplied due to oversight, so long as it does not affect responsiveness.

The Purchasing Agent shall maintain complete and sufficient records of evaluations to ensure there is no abuse of the competitive process. All reasons for making the award recommendation shall be made in writing by the Project Manager and retained in the archives.

5.7 Bid Evaluation

The Purchasing Agent shall maintain complete and sufficient records of evaluation to ensure there is no abuse of the competitive process. All reasons for making the award recommendation shall be made in writing by the Project Manager and retained in the archives.

5.8 Rejection of Bids

The Town may, in its discretion, reject any submissions presented. The Town may also:

- Reject a submission not accompanied by any required bid security or by other data required by the bidding documents.
- Reject a submission that is in any way incomplete, irregular, amplified, unqualified, or otherwise not in compliance with the solicitation documents in all material respects.

- Reject a submission that includes a blanket rejection of the Town's contract terms and conditions.
- Waive any informality, irregularity, immaterial defects or technicalities, in any submissions received.
- Cancel any solicitation or reject all submissions because any of the following reasons:
 - Specifications are inadequate or ambiguous.
 - Specifications have been revised.
 - Supplies or services are no longer needed.
 - Town Requirements have changed.
 - All submissions have been deemed unreasonable.
 - Submissions were not independently arrived at and/or were submitted in bad faith.
 - Necessary requirements of the solicitations process have not been met.
 - Competition is insufficient.
 - Cancellation or rejection of all submissions is clearly in the Town's best interest.
 - The company's name appears on either the Federal Excluded Parties list and/or the appearance of the company's name on any debarment list.

5.9 Written Quotations

Any written quotes, including email, received shall be retained as an attachment to the requisition in the ERP system. Written quotes shall include the name of the supplier representative and the date of the quote.

5.10 Fixed Assets

Fixed assets (equipment that has a unit cost of \$5,000 or more and a useful life greater than one year) should be budgeted and the asset tracked by the Finance Department.

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6.0 Departmental Policies

Town departments have important responsibilities in the procurement of goods and services. Departments are encouraged to utilize the resources of the Finance Department for assistance.

6.1 Requisitioning Process

Departmental Responsibilities

Departments shall contact the Finance Department early in the purchasing process to benefit from advice and assistance on specifications, sources of supplies, price advantages, substitutions, and a determination of each department's precise needs. Further, departments are responsible for:

- a) Determining that sufficient funds are available to pay for requested goods and services.
- b) Ensuring that requested items/services are necessary to operations and are used for their stated purpose.
- c) Ensuring that requisitions and purchase orders are completed and processed for payment satisfactorily.
- d) Ensuring that the Finance Department is informed of annual requirements in a form and manner as requested by the Finance Department.

6.2 Signature Authority

All requisitions sent to the Finance Department must be approved by an authorized departmental approver(s) in accordance with the Enterprise Resource Planning (ERP) system workflow. These approvers are typically the department head or their designee.

6.3 Specifications

Departments must develop specifications that are nonrestrictive and provide samples (as needed) that clearly describe the item(s) needed in terms of performance. Finance and the requesting department will jointly determine "equal" items. If a purchase requisition specifies a brand name or model, Finance will assume that "equal" items are acceptable.

If a department determines that only a specific make and model will meet its needs, the department shall complete the Sole Source Justification form (See Section 3.5) that details the unique features of the sole source item and states why these features are required. If other brands and models have been tested or used previously, the department shall specify the brands and models used, and why they are unacceptable. Similarly, prior unsatisfactory performance may be used for future source evaluations.

The Finance Department may return the requisition for additional justification if a specific item appears to be unreasonably restrictive or inappropriate.

6.4 Record Retention

All requisitions and related procurement documents shall be retained in accordance with the record retention policy for the Town. Additional information may be found in the Clerk's office.

6.5 Receiving

Departments shall provide for the receiving, inspection and acceptance or rejection of merchandise delivered, and services performed. Departments should assign the responsibility for receiving and inspecting shipments to the specific individuals, preferably someone other than the person who approved the requisition. Departments are responsible for ensuring that commodities delivered, and services performed conform to the order specifications as applicable. Assigned staff must inspect merchandise received in a timely manner so that problems, if any, may be identified and more easily resolved. Generally, merchandise should be inspected within three business days of receipt.

Departments should ensure that the invoice is promptly processed for accepted merchandise or services to take advantage of any discounts to which the Town is entitled. Department personnel are also required to submit the invoice to the Finance Department for inclusion in the ERP system to initiate the payment process.

6.6 Materials Expediting

If a supplier is late meeting specified delivery dates, the department should contact the purchasing agent responsible for the purchase order or contact to aid in expediting the order. The purchasing agent may contact the supplier on the department's behalf and will continue to monitor the supplier's progress until the order is complete.

6.7 Manufacturers' Warranties

Many items of equipment purchased by departments carry a manufacturer's warranty of acceptable materials and workmanship. All departments shall register and maintain proper records of such warranties to ensure that the manufacturer repairs defects covered by the warranty.

6.8 Energy Conservation

Prior to the purchase of all new equipment, except in the case of an emergency, the purchasing agent or any other Town officer, or employee authorized to purchase such equipment shall evaluate and consider the energy consumption level and the anticipated operating costs over the useful life of the new equipment in addition to the initial cost of the equipment.

6.9 Special Receiving Assistance

Because of their technical nature, or support requirements, receipt of the following items should be made by, or shall be coordinated with, the indicated departments.

| <u>Items/Services</u> | <u>Coordinating Department</u> |
|------------------------------|---|
| Vehicles | Clerk's Office (Registration and Insurance) |
| Telecommunications Equipment | Town Administrator and IT provider |
| Computer Equipment | Town Administrator and IT Provider |

6.10 Material Safety Data Sheets (MSDS)

A Material Safety Data Sheet (MSDS) must accompany all hazardous materials ordered and received by a department. If the department does not receive an MSDS, the department must contact the supplier and request two copies (one for the Town's Risk Management master folder and one for the receiving department) before approving the invoice for payment. Every department is responsible for maintaining a complete file of all hazardous materials that must be filed by the name of the chemical and be made available in a central location to anyone needing the information.

6.11 Vehicles

The Town Clerk's Office is responsible for the administrative aspects of all registration and licensing of Town owned and leased vehicles in the general Town fleet. The Town Clerk's office is also responsible for updating the insurance company for all new vehicles to the fleet and for removing vehicles from insurance that are liquidated.

7.0 Disposal of Surplus Property

Surplus Town Property is to be disposed of through a competitive bidding process. Formal competitive bids or conducting a public auction is required for the sale of any item of obsolete, surplus, or unusable Town property with an estimated value of at least \$1,000.00 or for the sale of more than one item of such property with an estimated accumulative value in excess of \$2,500.00.

The property shall be sold to the highest bidder, unless the Town Administrator/Treasurer determines that it is not practical and advantageous to do so. The Town Administrator/Treasurer may require such bonds or other surety as deemed prudent to assure prompt payment. The Board of Trustees shall be promptly notified by the Town Administrator/Treasurer on any determination to donate or otherwise dispose of any item of Town property with an estimated value at least \$1,000.00, other than through a formal competitive bid or a public auction. Prior to the beginning of any competitive bid or public auction the Board of Trustees shall review items to be disposed of and give their approval.

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The Town will routinely use auction services for the disposal of surplus equipment. However, other methods for disposal of surplus may be used as appropriate.

The Finance Department should be contacted when capital assets are disposed of to ensure that they are properly accounted for in the Town's asset tracking system.

7.1 Prohibition Against Purchase by Employees

Any officer, agent or employee of the Town assigned to the purchasing function, or responsible for surplus declarations, or having privileged information regarding the personal property or the value thereof that is not available to all prospective bidders, or assigned to the organization having custody of the surplus property shall not directly or indirectly submit a bid or purchase surplus personal property, unless the disposal method is competitive bidding through a third party auction house. This policy shall be liberally construed to prohibit any appearance of impropriety and the Town Administrator's office should be consulted for an opinion from the Town Attorney's office whenever there is a question of probable conflict.

The direct sale of surplus property (materials, supplies, machinery, furnishing, equipment and any other tangible article) to Town employees, other than through an auction conducted by a third-party auction house, is prohibited.

7.2 Donations

Departments may donate surplus property with a total estimated value of \$1,500 or less, if, in his/her judgement, donating the property is in the Town's best interests.

The Town Administrator/Treasurer must notify the Board of Trustees and may also direct the Department(s) or the Finance Department to coordinate the donation of an item of surplus property with an estimated value of between \$1,501 and \$5,000 or donate more than one item with an estimated cumulative value up to \$5,000.

Any donation of property should be documented by the Town and expressly state the donation "as is," and carries no warranties, express or implied.

7.3 Surplus Personal Computer (PC) Systems

The Town Administrator/Treasurer's office will have the responsibility to direct and manage disposal of copiers, imaging systems, personal computer systems, and related equipment. Department personnel should contact the Town Administrator/Treasurer when they have surplus computer related items for disposal.

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8.0 Grant Funded Purchases

Projects either fully or partially funded by grants may have their own, specific procurement requirements to maintain funding. Project managers must be aware of and follow any specific procurement requirements to ensure funding. If specific procurement requirements conflict with policies outlined in this document, the requirements attached to the grant prevail, if not in violation of any applicable law. If no specific procurement requirements are outlined in the grant, the policies of this document will prevail.

9.0 Credit Card/Purchasing Card Program

The use of purchasing and credit cards are intended to save time and money and to avoid the need for payment requests for purchases. This policy applies to Town employees whose jobs require them to use a credit card issued to them by the Town of Paonia.

a) Conditions of Use

Only the named cardholder may use the issued Credit Card. Any default department credit cards shall be managed by the Town Administrator's designee.

Purchasing cards and credit cards are generally issued to all supervisors, although this may vary by department. All purchases will be reviewed by the Town Administrator and are subject to review from the Department Director, Finance Department, and Finance Committee.

A receipt copy on 8 ½ x 11 is required and must be coded to the proper expense account according to the adopted town budget. These coded receipts must be submitted to the Town Administrator within three days of the purchase date. The Department Head or related credit card holder must also code the expense on the credit card issuers website and attach a photocopy of the receipt. The requirement of a hard copy may change should the card issuer's website prove to meet the requirements of this policy. Until then both the hardcopy and digital processes shall be followed.

The default credit limit on Town purchasing cards is \$1,500. Higher limits may be granted with the Department Director's, or the Town Administrator's approval. Generally, the highest limit is \$5,000. Temporary increases can be requested for a planned purchase, with Board of Trustees approval.

Purchasing cards and Credit Cards are for purchasing appropriate foods and services while conducting business for the Town of Paonia only. These purchases should be necessary for completing your work and within the bounds of your normal purchasing needs or authority per your supervisor and established procurement policies.

b) Food Purchases

The purchase of food and services by an employee of the Town is allowable only when conducting business for the Town of Paonia while attending conferences, trainings, or town business outside of the Town's incorporated limits. When purchasing for food services, you are allowed to tip 10% for carry-out orders and anywhere between 15-20% for waiter/waitress type service, depending on the quality of service, but not to exceed 20%.

Meal receipts must be itemized, and a record must be kept stating the business purposes along with the names and titles of those served. Within these limits, meals can be excluded from employees' taxable pay under IRS regulations.

Alcohol purchases are expressly prohibited.

c) Per Diem

Allowances for meals and incidental costs incurred on official Town travel must follow U.S. General Services Administration per diem rates for the location. Any charges incurred on a Town Credit Card or Purchasing Card that is over the limit as identified in the US GSA for that location may be required to be reimbursed by the employee.

d) Restricted Purchases

Certain purchases have specific requirements or restrictions:

- **Employee Gifts** – The Town Administrator shall approve purchasing of any gift for a current or former employee, such gifts are related to service awards or merit awards and shall not have a greater market value than the current State of Colorado gift ban amount of \$75.00 which may be adjusted from time to time by the Colorado Independent Ethics Commission.
- **Capital – Related Purchases** – Any purchase related to a capital expenditure must be limited and clearly identified by the underlying capital item that the purchase relates to, such as project name and activity number.

e) Minimum Consequences of Violation

It is expressly prohibited to use Town credit cards or purchasing cards for personal use. The misuse or personal use of credit cards and purchasing cards may result in disciplinary action up to and including termination. A memo signed by the Department Head to the Town Administrator is required immediately following any personal use, along with a check, cash or money order, to reimburse the Town for the erroneous purchase.

In the event of a non-routine purchase, prior approval from a Supervisor, Department Head, or the Town Administrator must be obtained. Misuse of any purchasing

authority is cause for deactivation and may result in disciplinary action, up to and including termination.

f) Sales Tax

The Town of Paonia is a tax-exempt entity. Town employees are expected to complete any paperwork a vendor may require to secure tax-exempt status for purchases. The Town tax exempt number or certificate is available upon request from the Finance Department. If sales tax is charged in error, the employee should request a refund from the vendor to be issued back to the Town equal to the sales tax amount. In the event that a merchant does not accept the State of Colorado exemption certificate, it is acceptable to pay applicable sales tax and note the reason tax could not be removed.

g) Security

Employees are responsible for the secure keeping of their credit cards. If the card is lost or if there is any reason to believe that the card has been tampered with, the Town Administrator should be notified immediately, and the card forfeited until it can be replaced. Employees shall also verify the last authorized transaction to ensure that it is a legitimate purchase.

h) Card Deactivation

Cards can be deactivated at any time with or without cause by the Town Administrator. Purchasing cards are deactivated by Finance on the departing employee's last day, per email communication from Human Resources. If an employee is terminated, that employee's supervisor should immediately contact Finance.

i) Personal Use

Town credit cards are to be used for town purchases only. If a personal purchase is made by mistake, the Purchasing Cardholder must reimburse the Town upon identification of the error. Generally, a second occurrence will result in a verbal warning, and a third occurrence will result in termination of the Purchasing Card along with documentation to the employee's personnel file for performance review purposes. However, instances of personal use are reviewed on a case-by-case basis and may result in disciplinary action up to and including termination.

j) Compliance and Signature Required

All employees that are either issued or have an occasion to use a purchasing card or credit card must sign a copy of this policy prior to use and it must be kept within their personnel file.

10.0 Debarment of Suppliers/Contractors

The Town Administrator/Treasurer may debar or suspend a vendor or contractor for just cause, but not until the Town Attorney has provided an opinion on the debarment or suspension and the procedures recommended by the Town Attorney have been followed.

10.1 Causes for Debarment

The causes for debarment include the following:

- a) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract.
- b) Conviction or indictment under a state or federal statute of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- c) Conviction, pled guilty to, declared nolo contendere, or indictment under a state or federal antitrust statute, a charge of engaging in conspiracy, collusion, price fixing, or combination thereof, or other unlawful act in restraint of trade, or business discrimination, or of similar charges in any Federal court or a court of this or any other state.
- d) Failure or default without good cause to perform in accordance with any contract or unsatisfactory performance with any contract.
 - 1) Continually failed or refused to correct deficient work or replace substandard or unauthorized materials found by the Public Works Department, or its agent, or fails to make prompt progress payments to subcontractors for materials or labor.
 - 2) Continually found to not be in reasonably close conformity with the project document or failed to correct work so as to be reasonably acceptable.
 - 3) Continually failed to carry on the work in an acceptable manner or refused to comply with a written order or directive of the Public Works Director, designee, or their agent, within a reasonable time, or has responded to the Public Works Director, designee, agent, Town official, employee, or the Town in any manner which is either threatening, disparaging, or insulting.
 - 4) Persistently failed to timely complete a contract, or sought unreasonable extensions of time on current projects, or refused to comply with directives of the Public Works Director, designee, agent, Town Administrator/Treasurer, or the Board of Trustees.
 - 5) Failed to perform the contract with skilled workers as required in the project documents, or otherwise assigned or disposed of work to an unauthorized contractor, or to subcontract any portion thereof without approval of the Public Works Director, designee, agent, Town Administrator/Treasurer, or the Board of Trustees.

- 6) Forfeited a bid bond or failed to enter into a contract upon an offer of award by the Town in response to a prior advertisement for bids for the same project, or any combination of projects involving the same work for which the award is currently being considered.
 - 7) Failed to comply with the nondiscrimination requirements of the standard specifications or special provisions as outlined in bid documents.
 - 8) Failed to comply with the requirements of the Federal Davis-Bacon Act requirements to pay prevailing wages during the course of a federally – funded project, as required by Federal law.
- e) Debarment, disqualification, or suspension by another government entity for any reason.
- 1) This includes a supplier/contractor that has subcontracted, employed, or otherwise used the services of anyone who has been disqualified by the Town from working on Town projects.
 - 2) Town employees are automatically disqualified by the nature of their employment with the Town, and any supplier/contractor that hires and pays a Town employee for a project is grounds for debarment.
 - i. No Town officer or employee shall have an interest, direct or indirect, in any contract or job of work or material of the profits thereof of services to be furnished or performed for the officer’s or employee’s Town.
 - ii. This provision does not apply to a Town employee that has an employment contract with the Town.
- f) An actual or perceived conflict of interest between the supplier/contractor and other clients serviced by the supplier/contractor.
- 1) For the purposes of this section, a conflict of interest is defined as acts benefitting other clients of the supplier/contractor that have an expressed or implied agreement/contract with the Town that is in direct conflict with the goods or services being supplied by the supplier/contractor.
 - 2) The perception of a conflict of interest between the supplier/contractor and other clients serviced by the supplier/contractor is generally not enough for disbarment, but when combined with a service to another client that has an active contract with the Town it becomes a conflict of interest.
- g) Offered, promised or given a gratuity to any person elected, selected, appointed, employed or otherwise engaged in public service to secure or fulfill a Town contract, or has employed as its own employees during the course of the project any of the foregoing.

10.2 Other Actions

This section shall not be construed as to limit or prejudice any administrative or legal action available to the Town.

10.3 Federally Funded Vendors' Exclusion Records

In accordance with Federal requirements concerning debarment and suspension of vendors participating in and/or receiving funding related to Federal programs, Purchasing shall conduct searches for federally funded vendors' active exclusion records.

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GLOSSARY

Addendum. An addendum is a change or modification to achieve correctness. An addendum is also an alteration, modification, deletion or addition to a solicitation document such as a Request for Bids. An addendum must be in writing.

Award. An award is the presentation of a purchase agreement or contract to a bidder or the acceptance of a bid or proposal.

Best Interests (of the Town). A term used in granting a purchasing official authority to use discretion to take action that is felt most advantageous to the Town. This authority is used when it is difficult or impossible to anticipate adequately the circumstances that may arise so that more specific directions could be delineated by the law or regulation.

Bid Bond. An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific successful bidder fails to sign the contract for the solicitation.

Blanket (Open) Purchase Order/Agreement. An arrangement under which a purchaser contracts with a supplier to provide an item(s) or a service(s) on an as-needed basis. Properly prepared, such an arrangement sets a limit on the period of time it is valid and the maximum amount of money that may be spent within a specified period.

Change Order. A written modification, addition or deletion to a purchase order or contract.

Competitive Bidding. The submissions of offers by individuals or firms competing for a contract, privilege or right to supply merchandise or services.

Commodity. An article of trade, product, or goods.

Competitive Sealed Bidding. A method of procurement that requires the following elements: Issuance of an Request for Bid with a purchase description/specifications, acceptance criteria and all contractual terms and conditions applicable to the procurement; a contemporaneous opening of bids at a pre-designated time and place; an unconditional acceptance of a bid without alteration or correction except as authorized in this Manual; and an award to the most responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the solicitation and by the project team.

Confirming Purchase Order. A purchase order issued to a supplier, listing goods or services and terms of an order placed verbally by a purchasing agent, or otherwise, in advance of the issuance of the usual purchase document.

Consultant Services. A type of service where an independent contractor provides expert advice or services that involve extended analyses and the exercise of discretion and independent judgment, such as financial audit firms, grant writers, program specialists and others. See also **Professional Services**.

Contract. An agreement, enforceable by law, between two or more competent parties, to perform a particular act within the law, for a consideration. Also, any type of agreement or order for the procurement of supplies, services or construction.

Debarment. A process in which a supplier or contractor is prevented from being considered for the award of contracts. If Contractor's name appears on either the Federal or the State Debarment Lists results in rejection of contractor's bid.

Discount. Generally, a supplier's deduction from the list price, or some cost-reducing condition or negotiation, such as prompt payment (i.e., 2% if payment received within 30 days).

Emergency Purchase. An immediate acquisition by a department to obtain goods or services to avoid a substantial hazard to life or property, or serious interruption of the operation of a Town department. Such action may be taken by a department when purchasing agents are not available.

Fixed Asset. A fixed asset is an item of equipment that costs \$5,000 or more and has a useful life expectancy of greater than one year.

Formal Bidding. A procurement method involving competitive sealed offers that requires: adoption of plans, specifications and working details for a specific project; formal advertising in a general circulation newspaper during a bidding process; public opening of bids at a predesignated time and place; referral of bids to the operating department ; unconditional acceptance of a bid without alteration or correction except as authorized in Town Code; award of a contract to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the invitation for bids; completion of all required contract documentation; and a Notice to Proceed is issued to the contractor.

Informal Bidding. A procurement method managed by the individual department to seek bids but does not require the same level of documentation as formal bidding.

Informal Quotation. A verbal or written solicitation for goods and services without the use of a formal competitive bid process.

Invoice. A seller's itemized document referencing order/contract number stating prices and quantities of goods and/or services delivered and sent to the Town for payment.

Living Wage. An initiative that requires private sector employers who contract with the Town to provide specified services must pay their employees a living wage as approved by the Board of Trustees and periodically modified.

Performance Bond. A contract of guarantee executed subsequent to award by a successful bidder to protect the Town from loss due to the inability to complete the contract as agreed.

Personal Property. Materials, supplies, machinery, furnishing, equipment and any other tangible article required for the conduct of business of the Town.

Personal Services. Services provided by skilled trades persons, technicians and others including facility and equipment maintenance, security services, installation of equipment and furnishings, tree trimming, janitorial, etc. Personal services agreements do not include those for public projects, consultants, engineers, architects, designers, and other professional services. Generally, specifications for personal services agreements may be specific enough so that the services can be secured through quotes and/or bids. RFPs may also be appropriate when the service requirements so justify.

Pre-Qualification. A process in which bidders/vendors/service providers are pre-qualified by responding to a solicitation to establish responsibility. This may include information regarding such factors as financial background, industry stability, capacity to perform, lines of credit, manufacturers' authorizations, relevant experience, etc. Qualified firms may then be asked to participate in a price solicitation.

Prevailing Wages. Wage rates adopted by government entities, the payment of which is required of contractors performing construction work for some designated projects.

Procurement. The process of seeking and obtaining goods and services.

Professional Services. Professional services and consultant services include services that are of an advisory nature, provide personal expertise and/or a recommended course of action, and have an end product that is basically a transmittal of information related to Town programs. Providers are selected on the basis of qualification, subject to the negotiation of fair and reasonable compensation. Classification as professional services may also require an advanced, specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study or equivalent experience such as accountants, physicians, labor consultants, investigators, attorneys, architects, surveyors, or engineers. See also **Consultant Services**.

Project. Planned work or activity that is finished over a certain period of time and intended to achieve a particular purpose.

Purchase. Any contractual arrangement or transaction involving payment; the acquisition of title to personal property; the use by rental, lease or otherwise of personal property; the provision of services by independent contract or otherwise; or any combination of the foregoing.

Purchase Order. A document prepared by the purchasing agent and provided to a supplier formally stating all terms and conditions of procurement.

Quotation. A statement of price, terms of sale, and description of goods or services offered by a supplier to a prospective purchaser, the stating of the current price of a commodity.

Request for Bids (RFB). All documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the policies set forth in this Manual.

Request for Information (RFI). All documents, whether attached or incorporated by reference, utilized for soliciting information in accordance with the policies set forth in this Manual.

Request for Proposal (RFP). All documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the policies set forth in this Manual.

Request for Qualifications (RFQ). All documents, whether attached or incorporated by reference, utilized for soliciting qualifications in accordance with the policies set forth in this Manual.

Requisition. A requisition is an internal document by which a department requests Purchasing to initiate procurement.

Responsible Bidder or Offeror. A person or firm that has the capability in all respects to perform fully the contractual requirements, and the integrity and reliability to assure good faith performance.

Responsive Bidder. A person or firm that has submitted a bid that conforms in all material respects of the solicitation.

Specifications. A detailed statement of particulars prescribing dimensions, materials, performance, quality of work etc. for something to be purchased, built or installed.

Sole Source Purchase. An award for a commodity or service that can only be purchased from one supplier, usually because of its technological, specialized, or unique character.

Solicitations. Purchasing processes designed to seek and obtain goods and/or services including Request for Qualifications (RFQ), Request for Information (RFI), and Request for Proposals (RFP) and Request for Bid (RFB).

Standardization. The organized process of obtaining solutions to common problems by establishing agreement on specific quality, design, size, color, etc. The established agreement is called a standard.

Town Management. Collectively the Town Administrator, Town Clerk, Public Works Director, Police Chief, Staff Accountant and may include the Board of Trustees.

Underserved Business. A business that is at least 51 percent owned by one or more individuals who are both socially and economically underserved.

Warranty. A written guarantee of the integrity of a product and of the maker's responsibility for the repair or replacement of defective parts.