

**Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet
Agenda Item 13.b**

Applicant: Conserving Farmland Partnership

Water Activity Name: Protecting Irrigated Agricultural Lands, and Agricultural Water Rights for Agricultural Production

Water Activity Purpose: Study of a non-structural water project

County: All counties of Southwest Basin

Drainage Basin: Southwest

Water Source: various

Amount Requested: \$31,500 (Southwest Basin Account)

Matching Funds: \$0

Staff Recommendation
Staff recommends approval of up to \$31,500 from the Southwest Basin Account to help complete this project. It is also recommended for the applicant to initially research the issue and potential solutions to the problem (Tasks 1 and 2) and then assess whether it is necessary continue with the remaining portions of the project. Staff will work with the applicant and may recommend to the Board that any remaining funds be reverted back to the Southwest Basin Account to assist in the funding of other projects.

Water Activity Summary:

The applicant seeks \$31,500 in grant funding to create a program, or an achievable plan for the creation of a program, that will assist non-profit organizations and local communities in the Southwestern Colorado Basin in conserving irrigated agricultural lands as working agricultural lands, and their associated agricultural water rights. Protection and conservation of the natural environment, including protection of open space, is an important part of conserving southwestern Colorado's water supplies and promoting its economic and agricultural health, but assuring that protected lands remain in active agricultural use is not currently part of such conservation efforts.

Project Objectives include:

1. Research existing barriers to conservation of working agricultural lands and solutions to overcoming such barriers.
2. Create a stakeholders group consisting of Southwestern Colorado Basin Roundtable members, farmers, ranchers, and land trusts that will help identify a program to protect irrigated agricultural lands and will assume responsibility for implementing the program in the future.
3. Identify a program, or an achievable plan for the creation of a program, that will result in protecting irrigated agricultural lands for agricultural production in southwestern Colorado and potential funding sources for such program.

It is widely known that every year many acres of irrigated agricultural lands in Colorado are converted to other uses, and such conversion often results in negative consequences. Such consequences include the loss of local food production and thus a reduction in food security, the loss of the knowledge and experience held by current agricultural landowners, the inability of the next generation of agricultural producers to purchase

lands at values consistent with earning a living in agriculture, and the potential conversion of water rights from agricultural use to municipal and industrial use. Although local non-profit land trusts and similar organizations operate throughout the Southwest Colorado Basin and often work to protect irrigated agricultural lands through voluntary agreements with landowners (known as conservation easements), such agreements do not require such lands to remain in working agriculture. Instead, conservation easements usually strive to protect the land from uses that would be inconsistent with agricultural production, while leaving the choice of working the land, or not, to the current landowner.

Research is needed to understand: the barriers to protecting lands exclusively for agricultural use; the possible solutions to overcoming such barriers; and how a program, or an achievable plan to create a program, can be implemented and funded to promote such solutions. Interest in preserving working lands is not unique to Colorado; therefore, research into other successful models for such preservation around the country may lead to potential programs that could be implemented in southwest Colorado. Stakeholders in such an effort must be identified and assembled to discuss such solutions and to understand what type of program stakeholders would encourage and support.

The goal of a program identified through this grant will be to assure that irrigated agricultural lands are protected as working agricultural lands, rather than simply as open space, and to make such lands more affordable for the next generation of farmers and ranchers. Keeping such lands in working agricultural production will help assure a local food and fiber production and will help assure that agricultural water rights remain in agricultural use.

Threshold and Evaluation Criteria

The application/project appears to meet all four Threshold Criteria. No Statewide funds are being requested, therefore the evaluation criteria does not apply.

Funding Overview

Grant funding in the amount of \$31,500 is being requested from the Southwest Basin Account. No identified sources for match have been identified.

Discussion:

Staff believes that this is an important issue deserving attention, yet it is uncertain whether the issue warrants funding of up to \$31,500. Over the past few years, the CWCB has awarded WSRA grants to fund several projects aimed at preserving existing agricultural and/or environmental water users. Amongst these include the Rio Grande Initiative (\$1.5 million) and several wetland recharge projects in the South Platte River basin with the goal of preserving the continuance of irrigation for agricultural purposes as well as other beneficial uses. With these projects, the conservation easements included language that explicitly ties the water rights to the land and assuring that the continued historical use of the water rights continue to ensure the protection of the conservation value (i.e. irrigated agriculture). Staff has discussed this issue with various land conservancy professionals to obtain guidance on this issue and the prevailing opinion is that existing uses (i.e. agriculture, wetlands) can be preserved through language included in the conservation easements. Specifically, the Colorado Coalition of Land Trust (a non-profit organization representing over 40 Colorado-based land conservancy organizations), the Colorado Water Trust, NRCS, water attorneys and others have developed language over the past couple of years that is currently being utilized by a variety of conservancy land trusts. In fact, some of the conservation easements that the CWCB has funded through the WSRA grant program utilize this language and staff is satisfied that the conservation values are adequately protected in

perpetuity. Due to this fairly recent development by the land conservancy organizations, staff encourages the applicant to meet with some of these organizations to determine if this work will meet the needs identified in the application. A draft excerpt from a conservation easement that the CWCB is funding is included in this memorandum and is located with the application material and is labeled “Exhibit A”.

Issues/Additional Needs:

- **The scope of work and associated budget is not sufficiently detailed, please provide a revised scope of work and budget.**
- **Please provide more detail on the specific deliverables.**

Staff Recommendation:

Staff recommends approval of up to \$31,500 from the Southwest Basin Account to help complete this project. It is also recommended for the applicant to initially research the issue and potential solutions to the problem (Tasks 1 and 2) and then assess whether it is necessary continue with the remaining portions of the project. Staff will work with the applicant and may recommend to the Board that any remaining funds be reverted back to the Southwest Basin Account to assist in the funding of other projects.

All products, data and information developed as a result of this grant must be provided to CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

Reporting: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed or certified by a professional engineer licensed by the State of Colorado to practice Engineering.