

Rio Grande Inter-Basin Roundtable
c/o San Luis Valley Water Conservancy District
623 Fourth Street
Alamosa, CO 81101
Telephone: (719) 589 – 2230
Email: slvwcdco1@qwestoffice.net

July 19, 2012

Mr. Michael King, Executive Director
Colorado Department of Natural Resources

Mr. Todd Doherty, Intrastate Water Management & Development
Colorado Water Conservation Board

Reference: THE *RIO GRANDE INITIATIVE'S HAYWOOD RANCH
CONSERVATION PROJECT*

Gentlemen:

The Rio Grande Inter-Basin Roundtable (R.G.R.T) has determined that the single, most critical water issue confronting the Rio Grande Basin (Basin) is the current unsustainable management of surface and ground water. The R.G.R.T. has made the decision that water activities that address this issue be favorably considered for funding from the Water Supply Reserve Account, SB 2005 -179 (WSRA Funds), providing the proposed water activities meet the SWSI findings for the Basin and the CWCB & IBCC Criteria and Guidelines for funding.

This letter is to express the strong support of the Rio Grande Inter-Basin Round Table for the accompanying application for funding from the Water Supply Reserve Account's (WSRA) Basin and State-wide funds for the Rio Grande Headwaters Land Trust's (RiGHT) application for the *Rio Grande Initiative's Haywood Ranch Conservation Project*.

Begun in 2007, RiGHT's *Rio Grande Initiative* is a collaborative project to protect land and water along the Rio Grande corridor. The *Initiative* has a proven track record of success and this landscape scale conservation effort has involved many of the Rio Grande Roundtable and key partners including The Nature Conservancy and Ducks Unlimited. With prior WSRA awards of \$1.57 million to the *Rio Grande Initiative*, along with substantial matching funds and landowner contributions have helped protect six working ranches along the Rio Grande. To date, over 22,000 acres and 39 river miles have been protected with \$36 million of conservation value. Across the San Luis Valley, RiGHT and its partners have protected key water resources along with vital wetlands and wildlife habitat on working agricultural lands. They have a history of close collaboration with the local various water, wildlife and land management agencies and districts as well as farmers and ranchers.

The *Rio Grande Initiative* is an important contributor to the Rio Grande Inter-Basin Roundtable's core purpose: to achieve water sustainability for the Rio Grande Basin. By conserving key parcels and their senior surface rights on the Rio Grande, this effort is helping the State sustain and meet important non-consumptive attributes and well as consumptive needs by:

- Assisting the Division Engineer in administering the waters of the Rio Grande and meeting Colorado's compact obligations;
- Assisting the Colorado Parks and Wildlife and the US Fish and Wildlife Service in sustaining key wildlife habitat for the many species that depend upon the river corridor, including the federally endangered Southwestern Willow Flycatcher, big and small game, waterfowl and many migrating and breeding bird species, and important fisheries;
- Assisting in maintaining flood plain functions by keeping open lands along the river intact and undeveloped;
- Assisting the Rio Grande Water Conservation District in its work to restore our area's aquifers; and,
- Helping secure and sustain river flows for recreational opportunities and preserving the scenic beauty of the river's corridors.

The application of conservation easements provides opportunities for restoration, ecological enhancement, and land management improvements on the subject properties. If these same lands were to be subdivided and developed into residential developments, or if the associated water rights are separated from these key riparian areas, many community benefits and future opportunities will be lost.

The current application for the *Haywood Ranch Conservation Project* was discussed at both the June 12 and July 10, 2012 Roundtable Meetings.

At the regular July 10, 2012 meeting of the Rio Grande Basin Roundtable members unanimously to include \$25,000 of the Rio Grande Basin Funds and to request \$400,000 of Statewide funds for the *Rio Grande Initiative Haywood Ranch Conservation Project*. It should be noted that the motion to approve the funding also asked the applicants to adjust their request proportionally, should the appraised values be lower than their estimates in this request. That was acceptable to the applicants.

One of the major attributes of the Haywood Ranch is that it holds over 30% of the # 1 water right on the Rio Grande in Colorado, the Silva Ditch. Together with the neighboring ranch that is already conserved and its share of that same water right, this Project would protect a majority of the water in that # 1 priority. This Project also has letters of support from the Rio Grande Water Conservation District, the Rio Grande Water Users Association, District 3 Engineer, Colorado Division of Water Resources, Colorado Senator Gail Schwartz, Colorado Representative Ed Vigil, and the City of Monte Vista, located down-river from the Haywood Ranch.

The R.G.R.T. appreciates the support of the Department of Natural Resources, the Colorado Water Conservation Board and the Interbasin Compact Commission in assisting in meeting the needs of all users of Colorado's water and in fostering intrabasin and interbasin communications and discussions. We believe that the above project will assist in this effort.

Sincerely,



Mike Gibson
Chair, Rio Grande Interbasin Roundtable

Enclosures (2)

cc: Rio Grande Headwaters Land Trust

Rio Grande Initiative:
Haywood Ranch Conservation Project



Photo by Rio de la Vista

Application from the
Rio Grande Basin Round Table
to the
Colorado Water Conservation Board
for Water Supply Reserve Account : Basin and Statewide Funds

Applicant:
Rio Grande Headwaters Land Trust

PO Box 444, Del Norte, Colorado 81132

www.riograndelandtrust.org

Contact: Nancy Butler, Executive Director
719-657-0800 nancyb@riograndelandtrust.org



COLORADO WATER CONSERVATION BOARD
WATER SUPPLY RESERVE ACCOUNT
APPLICATION FORM



Rio Grande Initiative:
Haywood Ranch Conservation Easement

Name of Water Activity/Project

Rio Grande Headwaters Land Trust

Name of Applicant

Rio Grande Basin

Amount from Statewide Account:

\$400,000

Amount from Basin Account(s):

\$25,000

Total WSRA Funds Requested:

\$425,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

Application Content

Application Instructions	page 2
Part I – Description of the Applicant	page 3
Part II – Description of the Water Activity	page 5
Part III – Threshold and Evaluation Criteria	page 7
Part IV – Required Supporting Material	
Water Rights, Availability, and Sustainability	page 10
Related Studies	page 10
Signature Page	page 12

Required Exhibits

- A. Statement of Work, Budget, and Schedule
- B. Project Map
- C. As Needed (i.e. letters of support, photos, maps, etc.)

Appendices – Reference Material

- 1. Program Information
- 2. Insurance Requirements
- 3. WSRA Standard Contract Information (Required for Projects Over \$100,000)
- 4. W-9 Form (Required for All Projects Prior to Contracting)

Water Supply Reserve Account – Application Form

Revised December 2011

Instructions

To receive funding from the Water Supply Reserve Account (WSRA), a proposed water activity must be approved by the local Basin Roundtable **AND** the Colorado Water Conservation Board (CWCB). The process for Basin Roundtable consideration and approval is outlined in materials in Appendix 1.

Once approved by the local Basin Roundtable, the applicant should submit this application **with a detailed statement of work including budget and schedule as Exhibit A** to CWCB staff by the application deadline.

WSRA applications are due with the roundtable letter of support 60 calendar days prior to the bi-monthly Board meeting at which it will be considered. Board meetings are held in January, March, May, July, September, and November. Meeting details, including scheduled dates, agendas, etc. are posted on the CWCB website at: <http://cwcb.state.co.us> Applications to the WSRA Basin Account are considered at every board meeting, while applications to the WSRA Statewide Account are only considered at the March and September board meetings.

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: <http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf>

The application, statement of work, budget, and schedule **must be submitted in electronic format** (Microsoft Word or text-enabled PDF are preferred) and can be emailed or mailed on a disk to:

Greg Johnson – WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver, CO 80203
gregory.johnson@state.co.us

If you have questions or need additional assistance, please contact Greg Johnson at: 303-866-3441 x3249 or gregory.johnson@state.co.us.

Water Supply Reserve Account – Application Form

Revised December 2011

Part I. - Description of the Applicant (Project Sponsor or Owner);

1.	Applicant Name(s):	Rio Grande Headwaters Land Trust		
	Mailing address:	P.O. Box 444 Del Norte, CO 81132		
	Taxpayer ID#:	84-1495770		
	Primary Contact:	Nancy Butler	Position/Title:	Executive Director
	Email:	nancyb@riograndelandtrust.org		
	Phone Numbers:	Cell:	Office:	719-657-0800
	Alternate Contact:	Rio de la Vista	Position/Title:	Coordinator, Rio Grande Initiative
	Email:	riovista@rmi.net		
	Phone Numbers:	Cell:	Office:	

2. Eligible entities for WSRA funds include the following. What type of entity is the Applicant?

- ☐ Public (Government) – municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities and the local entity should be the grant recipient. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
- ☐ Public (Districts) – authorities, Title 32/special districts, (conservancy, conservation, and irrigation districts), and water activity enterprises.
- ☐ Private Incorporated – mutual ditch companies, homeowners associations, corporations.
- ☐ Private individuals, partnerships, and sole proprietors are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
- ☒ Non-governmental organizations – broadly defined as any organization that is not part of the government.

Water Supply Reserve Account – Application Form

Revised December 2011

3. Provide a brief description of your organization

The Rio Grande Headwaters Land Trust (RiGHT) is a 501c3 non-profit organization formed in 1999 to “*Conserve Our Land, Water and Way of Life in the San Luis Valley.*” RiGHT is a local land trust working throughout the San Luis Valley (SLV) to protect and support working ranches and farms, water resources, wildlife habitat, and scenic landscapes. To date, RiGHT has protected over 20,000 acres of land and associated water rights in the San Luis Valley through voluntary, incentive-based means.

RiGHT was originally developed as a proactive way to help secure the land and water of the San Luis Valley for the long term. RiGHT has an all local Board Directors that includes three landowners who have completed conservation easements on their own ranches (held by other conservation organizations), one of the San Luis Valley’s most knowledgeable water experts, two wildlife biologists, a fundraising/grant management professional, a former BLM area manager, former NRCS District Conservationist, and the current archeologist for the Rio Grande National Forest. Since 1999, RiGHT has worked to meet the growing demand for private lands conservation and provide relevant information for area landowners and professionals.

Over the life of the organization, RiGHT has actively collaborated with the community’s water districts, state and federal agencies, and the Rio Grande Basin Round Table, in an effort to contribute to the overall efforts to achieve water sustainability in the San Luis Valley. In 2007, RiGHT started the *Rio Grande Initiative*, a collaborative effort to protect 25,000 acres (or more) of private land along the Rio Grande corridor and its tributaries. Prior to beginning this effort, 5,800 acres of private land were conserved along the Rio Grande. Since beginning the *Initiative*, ***an additional 16,300 acres have been protected.*** In just a few short years, the focused effort of the *Initiative* has effectively tripled the pace of conservation along this iconic river corridor. This success would not have happened without past support from a \$1.5 million Water Supply Reserve Account (WSRA) grant in 2008 and another \$70,000 in 2011. These funds matched \$7.4 million from a Great Outdoors Colorado (GOCO) Legacy Grant award and numerous other private and public funding sources to achieve six successful conservation easements.

Overall, RiGHT and our core partners in the *Rio Grande Initiative* have now collectively protected over 22,000 acres and 39 river miles on the river corridor, totaling over \$36 million in conservation to date. These projects, achieved through a voluntary, incentive-based approach, secure important senior water rights to the working lands along with protecting the wetlands and flood plain functions that provide wildlife habitat and serve the communities along the river. With momentum and a strong record of accomplishment, RiGHT and our partners are continuing to implement the *Rio Grande Initiative*, our community-based effort to protect as much private land and water along the Rio Grande river corridor as possible - *while we have the chance.*

4. If the Contracting Entity is different then the Applicant (Project Sponsor or Owner) please describe the Contracting Entity here.

Not applicable.

5. Successful applicants will have to execute a contract with the CWCB prior to beginning work on the portion of the project funded by the WSRA grant. In order to expedite the contracting process the CWCB has established a standard contract with provisions the applicant must adhere to. A link to this standard contract is included in Appendix 3. Please review this contract and check the appropriate box.

Water Supply Reserve Account – Application Form

Revised December 2011

☒

The Applicant will be able to contract with the CWCB using the Standard Contract

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The Applicant has reviewed the standard contract and has some questions/issues/concerns. Please be aware that any deviation from the standard contract could result in a significant delay between grant approval and the funds being available.

6. The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.

Not applicable; RiGHT is a tax-exempt 501(c)(3) non-profit organization.

Water Supply Reserve Account – Application Form

Revised December 2011

Part II. - Description of the Water Activity/Project

1. What is the primary purpose of this grant application? (Please check only one)

<input checked="" type="checkbox"/>	Non-consumptive (Environmental or Recreational)
<input type="checkbox"/>	Agricultural
<input type="checkbox"/>	Municipal/Industrial
<input type="checkbox"/>	Needs Assessment
<input type="checkbox"/>	Education
<input type="checkbox"/>	Other Explain: <input type="text"/>

2. If you feel this project addresses multiple purposes please explain.

In addition to the environmental, non-consumptive needs achieved by protecting important wetlands and wildlife habitat along the Rio Grande river riparian corridor, this project also contributes to sustaining the **consumptive needs** of agriculture by securing the land and water for the Haywood Ranch's grazing and crop production into the future.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)

<input type="checkbox"/>	Study	<input checked="" type="checkbox"/>	Implementation
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4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

<input type="text"/>	New Storage Created (acre-feet)
<input type="text"/>	New Annual Water Supplies Developed, Consumptive or Non-consumptive (acre-feet)
<input type="text"/>	Existing Storage Preserved or Enhanced (acre-feet)
<input checked="" type="checkbox"/>	Length of Stream Restored or Protected (linear feet): <u>.18 miles of Rio Grande river</u>
<input type="text"/>	Length of Pipe/Canal Built or Improved (linear feet)
<input type="text"/>	Efficiency Savings (acre-feet/year OR dollars/year – circle one)
<input checked="" type="checkbox"/>	Area of Restored or Preserved Habitat (acres): <u>400 total/160 acres wetlands</u>
<input checked="" type="checkbox"/>	Other -- Explain: <input type="text" value="Area of conserved wetlands = 160 acres"/>

Water Supply Reserve Account – Application Form

Revised December 2011

5. To help us map WSRA projects please include a map and provide the general coordinates below:

Note: per a conversation with Greg Johnson of CWCB, in order to honor the privacy of the landowner during the application process, a map is not included. However, if funded, we will provide maps during the due diligence process.

Latitude: 37°37'32" N

Longitude: 106°13'46" W

6. Please provide an overview/summary of the proposed water activity (no more than one page). Include a description of the overall water activity and specifically what the WSRA funding will be used for. A full **Statement of Work** with a detailed budget and schedule is required as **Exhibit A** of this application.

RiGHT will use the requested WSRA funds to provide matching funds towards the purchase of a conservation easement on the 400-acre Haywood Ranch in Rio Grande County. The conservation easement will secure approximately 30% of the Silva Ditch, the **#1 most senior water right** on the Rio Grande in Colorado, to the property. This is an important addition to our landscape scale effort to protect and sustain the historic water use patterns along the Rio Grande river corridor by tying the water rights to the land through permanent, voluntary conservation easements.

The Haywood Ranch Conservation Easement Project is part of RiGHT's successful *Rio Grande Initiative*, which benefits *both* non-consumptive and consumptive water needs in the Rio Grande Basin and contributes to the goal of the Rio Grande Basin Round Table to achieve water sustainability.

Non-Consumptive Needs/Benefits

Protect key wildlife habitat for endangered species

- The US Fish and Wildlife Service's recently produced maps show the Haywood Ranch as being within a zone of "irreplaceable habitat" for the endangered Southwestern Willow Flycatcher. (See http://www.fws.gov/mountain-prairie/planning/lpp/co/slv/documents/slv_lppdraft_all.pdf)
- The Rio Grande Water Conservation District's (RGWCD) current effort to create a Habitat Conservation Plan (HCP) for the endangered Southwestern Willow Flycatcher and candidate for listing, the Yellow Billed Cuckoo, will be partially implemented and greatly enhanced by the conservation of private lands, such as the Haywood Ranch.

Sustain wetlands and riparian corridor habitat and health

- The property contains over 160 acres of wetlands and riparian habitat along the Rio Grande River. Throughout Colorado, wetlands make up less than 2% of the landscape, but provide benefits to over 75% of the species in the state and **1 in 4 species are dependent on this habitat for survival**. Since being settled, Colorado has lost approximately half of all wetland acres in the state. In the arid San Luis Valley, 66% of the wetlands acres occur on private lands, making voluntary conservation easements an ideal tool to protect this important resource.
- The 2008 Colorado Parks and Wildlife's Strategic Plan for the Wetland Wildlife Conservation Program emphasized the importance of protecting wetlands, stating that: "*Relatively speaking, the conservation of*

Water Supply Reserve Account – Application Form

Revised December 2011

wetlands and riparian areas has a greater positive impact on the general vitality of Colorado's wildlife populations than perhaps any other habitat conservation practice." In the San Luis Valley, abundant waterfowl, water birds, shore birds, songbirds, the migrating Sandhill Cranes as well as large game species such as elk and deer make extensive use of the river corridor, including the Haywood Ranch. The intact lands and health of the riparian zone along with the senior surface water rights that keep those wetlands wet are vital to our area's extensive wildlife, including endangered species.

Contribute to public safety

- Contribute to public safety in four counties through maintaining the flood mitigation function of large portions of the river's flood plain. The cumulative effect of increasing subdivision and residential development in the flood plain, the building of new roads, excavations, and changes of water use patterns all diminish the function of the flood plain and increase risks to the public. The Haywood Ranch is in the flood plain just upriver from the City of Monte Vista and keeping it intact will help sustain the valuable function of the flood plain. (See letter of support from the City.)

Consumptive Needs/Benefits

Secure land and water for agriculture

- Help secure the viability of agriculture by ensuring that land and water resources are available for agriculture for the long term. Ensuring that the property's senior water rights are tied to the land. The Haywood Ranch annual water use is estimated to be over 400 acre feet to irrigate approximately 240 of the 400 acres for production of alfalfa and/or small grains and much of the remaining acreage, including wetlands, for livestock pasture continue to be used for agriculture in essentially the same historic patterns on the same river corridor land that creates the multiple benefits discussed in this application.

Assist State with compact administration

- Continue historic water use patterns to insure that water use is sustained in ways that help the Colorado Division of Water Resources administer and meet the State of Colorado's Rio Grande Compact obligations. (See letter of support from Division Engineer Craig Cotton.) The storage and recharge benefits of riparian zone wetlands provide a "sponge" effect along the river corridor that helps to produce return flows, extend the irrigation season and maintain instream flows in the river. This function also helps sustain the aquifer.

Part III. – Threshold and Evaluation Criteria

1. Describe how the water activity meets these **Threshold Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines.)

- a) The water activity is consistent with Section 37-75-102 Colorado Revised Statutes.¹

¹ 37-75-102. Water rights - protections. (1) It is the policy of the General Assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The General Assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to

Water Supply Reserve Account – Application Form

Revised December 2011

This activity is consistent with the above referenced Statute and the additional Statutes and Constitutional Article referenced below. In addition, the voluntary placement of conservation easements, which includes securing water rights to the land, is not only allowed, but is frequently and vigorously encouraged by and funded through numerous federal, state and local entities including the Colorado Water Conservation Board (CWCB), Great Outdoors Colorado (GOCO), Colorado Parks and Wildlife (CPW), the US Department of Agriculture's Natural Resources Conservation Service (NRCS), the US Department of Interior's Fish and Wildlife Service, and many others.

- Colorado Revised Statutes §§ 38-30.5-101 to 38-30.5-111, providing for the establishment of conservation easements to maintain land “in a natural, scenic, or open condition, or for wildlife habitat, or for agricultural, horticultural, wetlands, recreational, forest, or other use or condition consistent with the protection of open land, environmental quality or life-sustaining ecological diversity...”
- The Colorado Wildlife and Parks and Outdoor Recreation Statutes, Colorado Revised Statutes §§ 33-1-101 to 33-1-121, which provide that “it is the policy of the state of Colorado that the wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors.”
- The Colorado Wildlife and Parks and Outdoor Recreation Statutes, Colorado Revised Statutes §§ 33-2-101 to 33-2-106, which provide that “it is the policy of this state to manage all nongame wildlife, recognizing the private property rights of individual property owners, for human enjoyment and welfare, for scientific purposes, and to insure their perpetuation as members of ecosystems; that species or subspecies of wildlife indigenous to this state which may be found to be endangered or threatened within the state should be accorded protection in order to maintain and enhance their numbers to the extent possible; that this state should assist in the protection of species or subspecies of wildlife which are deemed to be endangered or threatened elsewhere.”
- The Colorado Wildlife and Parks and Outdoor Recreation Statutes, Colorado Revised Statutes §§ 33-10-101 to 33-10-114, which provide that “it is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state.”
- The Colorado Department of Agriculture Statutes, Colorado Revised Statute §§ 35-3-102, which provides in part that “the soil resources and fertility of the land of this state, ...the prosperity of the farming population... and the waters of the rivers of this state... are matters affected with a public interest.”

restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law. (2) The General Assembly affirms the protections for contractual and property rights recognized by the contract and takings protections under the state constitution and related statutes. This article shall not be implemented in any way that would diminish, impair, or cause injury to any property or contractual right created by intergovernmental agreements, contracts, stipulations among parties to water cases, terms and conditions in water decrees, or any other similar document related to the allocation or use of water. This article shall not be construed to supersede, abrogate, or cause injury to vested water rights or decreed conditional water rights. The General Assembly affirms that this article does not impair, limit, or otherwise affect the rights of persons or entities to enter into agreements, contracts, or memoranda of understanding with other persons or entities relating to the appropriation, movement, or use of water under other provisions of law.

Water Supply Reserve Account – Application Form

Revised December 2011

- The Colorado Department of Agriculture Statutes, Colorado Revised Statute §§ 35-3-102, which provides in part that “the welfare of this state has been impaired and is in danger of being further impaired by destruction of its soil fertility, by uneconomic use and waste of its land, by exploitation and wasteful and unscientific use of its soil resources...”
 - The voters of the State of Colorado by adoption of Article XXVII to the Constitution of the State of Colorado, the legislature of the State of Colorado by adoption of enabling legislation, and the State Board of the Great Outdoors Colorado Trust Fund (the “Board”), by adopting and administering competitive grants application and rigorous due diligence review processes, have established that it is the policy of the State of Colorado and its people to preserve, protect, enhance and manage the state’s wildlife, park, river, trail and open space heritage, to protect critical wildlife habitats through the acquisition of lands, leases or easements, and to acquire and manage unique open space and natural areas of statewide significance.
- b) The water activity underwent an evaluation and approval process and was approved by the Basin Roundtable (BRT) and the application includes a description of the results of the BRTs evaluation and approval of the activity. At a minimum, the description must include the level of agreement reached by the roundtable, including any minority opinion(s) if there was not general agreement for the activity. The description must also include reasons why general agreement was not reached (if it was not), including who opposed the activity and why they opposed it. Note- If this information is included in the letter from the roundtable chair simply reference that letter.

The Haywood Ranch Conservation Project has the strong support from the Rio Grande Basin Round Table, as evidenced by their unanimous vote of in favor of this application and the use of Basin funds for this project, as well as their past support of similar projects and RiGHT’s overall *Rio Grande Initiative*. Our community members recognize the vital role of the river corridor and its senior surface water rights to our water sustainability as a whole. Their support indicates the urgent need and critical timing of conservation projects—and that the opportunity to protect a large portion of the Rio Grande must be acted upon now, while we have the chance, if we are to meet our long-term water needs.

This application includes a commitment of \$25,000 of Basin funds towards this overall request, with a request for \$400,000 of statewide funds, and with a match of \$300,000 in cash and a landowner donation of approximately \$400,000 in conservation value. This demonstrates both the strong commitment to this effort from our Round Table members and the leverage that this project will provide to CWCB funds, if awarded.

Please see the attached letter from the Rio Grande Basin Round Table Chairman, Mike Gibson, describing the unanimous support of this application from our membership.

Water Supply Reserve Account – Application Form

Revised December 2011

¹ 37-75-104 (2)(c). Using data and information from the Statewide Water Supply Initiative and other appropriate sources and in cooperation with the on-going Statewide Water Supply Initiative, develop a basin-wide consumptive and nonconsumptive water supply needs assessment, conduct an analysis of available unappropriated waters within the basin, and propose projects or methods, both structural and nonstructural, for meeting those needs and utilizing those unappropriated waters where appropriate. Basin Roundtables shall actively seek the input and advice of affected local governments, water providers, and other interested stakeholders and persons in establishing its needs assessment, and shall propose projects or methods for meeting those needs. Recommendations from this assessment shall be forwarded to the Interbasin Compact Committee and other basin roundtables for analysis and consideration after the General Assembly has approved the Interbasin Compact Charter.

- c) The water activity meets the provisions of Section 37-75-104(2), Colorado Revised Statutes.² The Basin Roundtable Chairs shall include in their approval letters for particular WSRA grant applications a description of how the water activity will assist in meeting the water supply needs identified in the basin roundtable's consumptive and/or non-consumptive needs assessments.

Please see the project information in this application and in the attached letter from the Rio Grande Basin Round Table Chairman, Mike Gibson.

- d) **Matching Requirement:** For requests from the **Statewide Fund**, the applicant is required to demonstrate a **20 percent** (or greater) match of the request from the Statewide Account. Statewide requests must also include a minimum match of **5 percent** of the total grant amount from Basin Funds. Sources of matching funds include but are not limited to Basin Funds, in-kind services, funding from other sources, and/or direct cash match. Past expenditures directly related to the project may be considered as matching funds if the expenditures occurred within 9 months of the date the application was submitted to the CWCB. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

As shown in the Budget portion of this application, this request is for \$425,000 total funds, including \$25,000 of the Rio Grande Basin Roundtable's Basin funds and \$400,000 of Statewide funds. It will be further matched by \$300,000 in funding from North American Wetlands Conservation Act (NAWCA), with the application to be submitted in July 2012 (pending approval) and a landowner donation of an estimated \$400,000 in conservation easement value (the actual donation amount will be determined in the final appraisal). Our request far exceeds the minimum match requirements noted above, with a total project value of \$1,125,000 and with the WSRA funds comprising 38% of the overall project, ie a ratio of 1.65 to 1, match to grant.

2. For Applications that include a request for funds from the **Statewide Account**, describe how the water activity/project meets all applicable **Evaluation Criteria**. (Detailed in Part 3 of the Water Supply Reserve Account Criteria and Guidelines and repeated below.) Projects will be assessed on how well they meet the Evaluation Criteria. **Please attach additional pages as necessary.**

Evaluation Criteria – the following criteria will be utilized to further evaluate the merits of the water activity proposed for funding from the Statewide Account. In evaluation of proposed water activities, preference will be given to projects that meet one or more criteria from each of the three “tiers” or categories. Each “tier” is

Water Supply Reserve Account – Application Form

Revised December 2011

grouped in level of importance. For instance, projects that meet Tier 1 criteria will outweigh projects that only meet Tier 3 criteria. WSRA grant requests for projects that may qualify for loans through the CWCB loan program will receive preference in the Statewide Evaluation Criteria if the grant request is part of a CWCB loan/WSRA grant package. For these CWCB loan/WSRA grant packages, the applicant must have a CWCB loan/WSRA grant ratio of 1:1 or higher. Preference will be given to those with a higher loan/grant ratio.

Tier 1: Promoting Collaboration/Cooperation and Meeting Water Management Goals and Identified Water Needs

- a. **The water activity addresses multiple needs or issues, including consumptive and/or non-consumptive needs, or the needs and issues of multiple interests or multiple basins. This can be demonstrated by obtaining letters of support from other basin roundtables (in addition to an approval letter from the sponsoring basin).**

The Haywood Ranch Conservation Project and RiGHT's overall *Rio Grande Initiative* achieve direct protection of river corridor land and senior surface water rights, which addresses both non-consumptive and consumptive needs and benefits multiple entities and interests in the Rio Grande Basin and on behalf of the State, specifically for the wildlife benefits and for the sustainable administration of the Rio Grande Compact. These include:

- 1) **Wildlife:** The 400 acre project parcel targeted for protection and submitted in this application is within the Rio Grande river's floodplain and includes approximately 2/10ths of a mile of the river and over 160 acres of important wetlands along with a substantial portion of the #1 senior water right on the Rio Grande that sustains them. Riparian areas and wetlands along the river corridor provide highly important wildlife habitat for all of the area's wildlife, and for several endangered species. This is exemplified by:
 - a) There are four State Wildlife Areas and over 17,000 acres of protected private land along the Rio Grande between Del Norte and Alamosa. Colorado Parks and Wildlife has funded river corridor conservation easements through several of its programs and has been a direct partner on the *Rio Grande Initiative* through the GOCO Legacy grant.
 - b) Federal funds awarded through both the North American Wetlands Conservation Act (NAWCA) and the NRCS's Wetland Reserve Program have supported extensive private land conservation in this zone.
 - c) The US Fish and Wildlife Services' recently produced habitat maps show the Haywood Ranch as being within a zone of "irreplaceable habitat." (See http://www.fws.gov/mountain-prairie/planning/lpp/co/slv/documents/slv_lppdraft_all.pdf)
 - d) The Rio Grande Water Conservation District's (RGWCD) current effort to create a Habitat Conservation Plan (HCP) for the Southwestern Willow Flycatcher and Yellow Billed Cuckoo will be partially implemented and greatly enhanced by the conservation of private lands such as the Haywood Ranch.
 - e) The Rio Grande Natural Area, established in 2007 by an act of Congress, encompasses the river corridor from the Alamosa National Wildlife Refuge south to the New Mexico border. Private land conservation within this area is part of the *Rio Grande Initiative*.
- 2) **Flood plain/Public Safety:** Intact, open land along the river corridor provides for a functional flood plain, which helps reduce the potential impacts of floods on the towns and cities along the river. Located just upriver from the City of Monte Vista, the subject parcel that would be protected through this

Water Supply Reserve Account – Application Form

Revised December 2011

application is within the flood plain and, along with the adjoining protected ranch, will contribute to this objective. (See letter of support from City of Monte Vista.)

- 3) **Agriculture:** By keeping land and water intact, this project will help sustain agricultural productivity, its consumptive uses, and its role as the basis for the area's economy for the long term. The 400-acre parcel in this application is used for grazing, haying and crops includes approximately 30% share of the #1 senior water right on the Rio Grande in Colorado. It supplies more than 400 acre-feet of consumptive use annually. Securing it with a conservation easement will ensure those uses into the future. (See letter of support from Rio Grande Water Users Association.)
 - 4) **Water administration:** Functioning agricultural lands along the river divert irrigation water into pastures and riparian wetlands, which then create return flows to the river. These historic patterns of water use assist the Colorado Division of Water Resources in administering the waters of the Rio Grande and meeting Colorado's obligations under the Rio Grande Compact. Securing the senior water rights to this parcel will be one more important step on our path to water sustainability and contribute to the State's ability to administer the Compact. (See letter of support from Division Engineer, Craig Cotton.)
 - 5) **Urgency:** The timing of this effort is urgent: changes in water use are already underway as senior water rights along the river corridor are at risk of being altered for well augmentation purposes and historic ranches are being bought and fragmented into smaller parcels for residential purposes. Timely action is necessary to achieve the many benefits possible by conserving the Haywood Ranch.
- b. **The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.**

A project of this landscape-scale is only possible through broad based participation and diverse support from the local community and beyond. In addition to the support of Rio Grande Basin Round Table and allocation of \$25,000 of Basin funds toward this application, the project has garnered support from both traditional consumptive water interests (including renewed commitment to funding from the Rio Grande Water Conservation District for annual contributions to implement the *Rio Grande Initiative* for 2011 through 2013, and support water users organizations, and the Colorado Division of Water Resources) and non-consumptive interests, such as Colorado Parks and Wildlife, USFWS, USFS, BLM, NRCS and others. RiGHT has been collaborating directly with The Nature Conservancy and Ducks Unlimited on the *Rio Grande Initiative* from the original strategic planning and launch in 2007 through the on-going completion of conservation transactions, and the required long term monitoring and stewardship of permanent conservation easements.

The *Rio Grande Initiative* is supported by all four Boards of County Commissioners in the project area in addition to the following local, state and federal governmental entities, districts and agencies, as well as local, state and national conservation organizations. The table below indicates the entities that support the *Initiative*.

Water Supply Reserve Account – Application Form

Revised December 2011

Mineral County	USFWS- SLV National Wildlife Refuges Complex
Rio Grande County	SLV Chapter of Trout Unlimited
Alamosa County	Conejos Chapter of the National Wild Turkey Federation
Conejos County	
Rio Grande Water Conservation District	Colorado Cattlemen's Agricultural Land Trust
Rio Grande Basin Roundtable	Trust for Public Land
Colorado State Land Office	The Conservation Fund
Colorado Parks and Wildlife	San Luis Valley National Heritage Area
Colorado Rio Grande Headwaters Restoration Foundation	Rocky Mountain Elk Foundation
SLV Water Conservancy District	Southern Rockies Ecosystem Project
Division Engineer, Division 3, CDWR	CSU Extension Service
SLV Watershed Association of Conservation Districts	U.S. Forest Service
Rio Grande Water Users Association	Bureau of Land Management
	Silver Thread Scenic Byway
	State Senator Gail Schwartz
Natural Resources Conservation Service	State Representative Edward Vigil

Keeping land and water intact addresses both non-consumptive and consumptive water needs and issues:

Issues facing non-consumptive uses (wetlands and riparian corridor health, wildlife habitat for endangered species, recreation including wildlife viewing, hunting, fishing, and boating, and flood plain function) and consumptive water uses (sustaining continued agricultural production and historic water use patterns as well as addressing aquifer depletion) clearly cannot be solved by any single activity. However, keeping land and water intact along the river corridor is a fundamental part of the overall solution.

The *Rio Grande Initiative* addresses many of these vital issues in a proactive, voluntary, incentive-based manner. Through a conservation easement, landowners are offered the opportunity to receive partial payment for permanently restricting their property from subdivision and permanently tying their water rights to the land. This ensures that land and water resources are permanently available for agriculture, wildlife, and recreation and that they continue to provide functioning floodplains, wetlands, and critical wildlife habitat. Additionally, keeping the San Luis Valley's scenic landscape intact enhances the quality of life and attracts visitors to the region, which is also an important element of our local economy. The alternative, i.e. the permanent drying up of river corridor lands, would be irreversibly detrimental to all of these important functions—thus the Rio Grande Basin Round Table members and many other community, state and federal entities strongly support the *Initiative* and this application.

Benefits and Beneficiaries:

The multiple benefits of land and water conservation are illustrated by the broad based support for the overall *Rio Grande Initiative*, from local governments to water districts, to agricultural districts and agencies, to wildlife agencies and conservation organizations, and more, as noted above. The breadth of support emphasizes the importance of the Rio Grande to all of our communities and residents as well as the State of Colorado. Their support and participation indicates that keeping the river corridor land and water intact is of utmost importance to people from many perspectives and interests. The proposed Haywood Ranch Conservation Easement project encompasses many of these attributes.

Water Supply Reserve Account – Application Form

Revised December 2011

The beneficiaries of protecting the Haywood Ranch and overall, Colorado's Rio Grande corridor include:

- The counties of Mineral, Rio Grande, Alamosa, and Conejos and the communities (Creede, South Fork, Del Norte, Monte Vista, and Alamosa) along the river through preserved scenic landscapes, protected flood plains, fewer risks to water quality, and the economic benefits of wildlife, tourism and recreational opportunities including fishing, hunting, boating and bird watching.
 - Area residents, including multi-generational farmers and ranchers and the broader San Luis Valley community who depend upon historic water use patterns for their livelihood and the role of the river in restoring the Valley's currently threatened aquifer.
 - The many visitors who travel along various county roads along the river, as well as U.S. Highway 160 (the Haywood Ranch is visible from the highway) and the Silver Thread Scenic Byway on U.S. Highway 149. Visitors and locals alike will continue to enjoy the spectacular open vistas along the river's scenic landscape.
 - The abundant wildlife, including elk and deer, trout in the river's Gold Medal fisheries, migratory waterfowl and numerous other bird species (including endangered and threatened species) which depend upon the riparian corridor and associated wetlands and water rights.
 - The State and Federal agencies which hold land and water rights along the river, including the CPW's four SWA's along the river, the Colorado State Land Board, the USFWS's Alamosa National Wildlife Refuge, the Rio Grande National Forest and the BLM.
 - The State of Colorado, through the CDWR's ability to better administer the waters of the Rio Grande, while providing the longest possible irrigation season and maximum benefit to the citizens of Colorado.
 - In a larger picture, Colorado's position at the headwaters of the Rio Grande is also important. Our care of the health of the river also benefits our downstream neighbors of New Mexico, Texas and Mexico.
- c. The water activity helps implement projects and processes identified as helping meet Colorado's future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable's basin-wide water needs assessment.**

The Haywood Ranch lies within an area of key attributes as identified through the non-consumptive needs process conducted by the Rio Grande Basin Round Table, including its wetlands and riparian zone wildlife habitat. In addition, it is a working ranch with consumptive use of senior water rights. Both of these needs are served and sustained by conserving the land and water as proposed. Following is an analysis of how the *Rio Grande Initiative's* water activity addresses the SWSI findings and achieves the above stated Evaluation Criteria:

SWSI on Consumptive Needs

Section 5 on Consumptive Water Needs in the Rio Grande Basin discusses the anticipated shift of agricultural water uses to municipal and industrial uses. It is already clear that the San Luis Valley must reduce its irrigated agricultural area substantially in order to restore and sustain the aquifers we depend upon. This serious effort is underway through the Rio Grande Water Conservation District's formation of Ground Water Management Subdistricts as authorized by SB222 and SB220 and this effort is supported by the Rio Grande Basin Round Table (including the previous allocation of Basin funds in support of this effort). In this process, it is vital that appropriate agricultural lands are retired and appropriate ones are sustained in production; and with their historic water use patterns intact. Key to this is retaining the senior surface water rights and historic water use patterns along the Rio Grande river corridor. The historic patterns that support traditional consumptive uses along the river are increasingly being understood, including through the study funded by the WSRA on the hydraulic divide and through the long-

Water Supply Reserve Account – Application Form

Revised December 2011

term observation of many local experts and landowners. All indicators point to the critical need to keep historic river corridor water use patterns in place for filling and protecting the function of the “sponge” along the river corridor. Riparian wetlands, which are sustained through intermittent floods and agricultural diversions, help retain water from higher spring river flows and provide for slower release and return flows that are critical for sustaining river flows and thus extending the irrigation season longer on an annual basis, and assisting the CDWR’s administration of the river and the Rio Grande Compact.

The Rio Grande Initiative, by securing key land and senior surface water rights along the river, is the most direct approach possible to sustaining these key functions for consumptive needs. It is achieved through voluntary, incentive-based means with willing-sellers and willing-buyers and funded by state and federal programs and private donations, including from the landowners themselves.

SWSI on Non-Consumptive Needs

In Section 6.1 on Non-Consumptive Water Supply Needs in the Rio Grande Basin, the report states that:

“While flow enhancement for environmental and recreational uses was identified by many SWSI participants as being important, few Identified Projects and Processes.....directly address flow enhancements beyond statutory requirements.”

Again, the *Rio Grande Initiative* is a project that directly addresses flow issues. Securing land and senior surface water rights will help to sustain current river flows for the benefit of environmental and recreational uses including:

- fisheries;
- habitat for the Federally listed endangered species, the Southwestern Willow Flycatcher, as well as the recently de-listed, Bald Eagle and candidate for listing, Yellow Billed Cuckoo; and
- substantial riparian wetlands and vital wildlife habitat along the entire river corridor.

Further, the SWSI Report states:

“One concept for environmental and recreational flow management brought forth by environmental and recreational interest group representatives in SWSI was the “Conserve, Protect and Restore” (CPR) approach. The “Conserve” component is centered on keeping currently healthy rivers healthy, both in terms of quality and quantity. The “Protect” component suggested by the interest groups includes keeping threatened but currently healthy reaches whole, or as close to whole as possible.”

The *Rio Grande Initiative* is directly implementing these strategies to both conserve and protect the Rio Grande corridor through our approach of working with willing landowners to implement conservation easements. It is clear that a preventative, proactive approach to *keeping* the Rio Grande as “whole” as possible is the preferred strategy to having to deal with ever-greater fragmentation of the land and changes in water rights along the corridor. Addressing these issues later would come at even greater cost and complexity—and with fewer and lesser benefits achievable once the functions are diminished. While conservation of the river corridor is already an expensive undertaking, the costs will only rise in the future and become more complex as the demographics of landownership change (i.e. land is transferred to more family members in the next generation, many of whom are not as connected to the land as their parents.)

Section 6.1 of the SWSI report also suggests key sources of information including the CPW, TNC, and the Colorado Natural Heritage Program (CNHP). The *Rio Grande Initiative* is partnering directly with the first two and has an on-

Water Supply Reserve Account – Application Form

Revised December 2011

going collaboration with CNHP for data collection in the Rio Grande Basin. We anticipate that additional data can and will be collected by CNHP on conserved lands in the future.

Section 7 of the SWSI report addresses “Availability of Existing Water Supplies in the Rio Grande Basin” and identifies in Table 7-1 “Factors that May Affect Future Availability (Legal and/or Physical) of Supplies in the Rio Grande Basin.” This project aims to sustain current uses along the river corridor that are highly interdependent—i.e. flood events and diversions capture water in the “sponge” of riparian wetlands, which is slowly released versus having moved quickly down through the river channel all at once. This then sustains river flows for environmental and recreational benefits (fisheries, wetlands, numerous birds, waterfowl and the lush vegetation used by numerous species of wildlife), and allows for diversions further downstream over a longer irrigation season. Through the non-consumptive needs assessment of the Rio Grande Basin Round Table, our environmental community already strongly concurs with the water community that keeping the river corridor land and associated senior surface water rights intact is critical to sustaining the river’s important wetlands and all the benefits they provide. If substantial senior surface water rights were diverted from the river corridor to augment residential development or irrigation wells away from the river corridor, the impacts to the riparian wetlands, the healthy functioning of the river, and the CDWR’s ability to administer the Rio Grande would be both detrimental and cumulative—and the losses would likely be irreversible.

Section 8 of the SWSI report addresses Options for the Rio Grande Basin. In Section 8.1 the report states that:

“Solutions for addressing agricultural, recreational and environmental water needs are less well-defined and less certain in their implementation due to a number of factors, such as funding constraints, or an inability or mechanism for the beneficiary to contribute directly.”

The *Rio Grande Initiative* is an immediate and proactive solution to meeting current and future consumptive agricultural needs and non-consumptive recreational and environmental needs. Our process is well defined, has a strong record of success, and provides a mechanism for the beneficiaries to contribute directly to the project. Landowners contribute through a charitable donation of a portion of the value of their conservation easement (in this project, an estimated value of \$400,000), the land and water are available for agriculture for the long term, and the environmental and recreational water benefits are sustained in perpetuity.

In Section 8.2 the SWSI report states that, “it is possible that a failure to implement the Identified Projects and Processes would result in even greater impacts to irrigated agriculture and the economies dependent upon them.” While we are fully cognizant of the larger picture of agriculture in the San Luis Valley and the need to reduce irrigated agricultural acres in order to restore and sustain our aquifers, we recognize that this should not be accomplished by drawing key water resources away from the river system to augment unsustainable ground water pumping. Keeping the river “whole”, i.e. sustaining the corridor’s long-lived agricultural lands, its important riparian wetlands and wildlife habitat, and its recreational attributes, is vital to our community’s economy and future. Restoring the aquifer should not be accomplished at the expense of the river corridor health and function. Rather, protecting as much of the river’s attributes as possible *while we have the chance*, will continue to serve many beneficiaries for the very long term.

In Table 8-8 CDOW Statewide and Western Slope Water Management Options, the “Return Flow Mitigation Project” is directly addressed by the *Rio Grande Initiative*. The Table describes this as:

“Recognition of connectivity between irrigated agriculture and late-season baseflow and water temperatures. Ensure

Water Supply Reserve Account – Application Form

Revised December 2011

that changes to agricultural practices (e.g. sprinklers of type-conversions) do not significantly impair or reduce these benefits.”

The *Rio Grande Initiative* helps to sustain traditional agricultural diversions along the Rio Grande and thus ensure the late-season benefits identified above, as well as the significant wildlife benefits that these flows provide.

Section 10: Evaluation Framework

The *Rio Grande Initiative* meets numerous objectives identified in Table 10-1 SWSI Water Management Objectives and Performance Measures including:

- #2. Sustainably meeting agricultural demand when and where needed.
- #3. Optimizes Existing Water Supplies by sustaining traditional uses that also provide critical environmental benefits (for endangered species and all wildlife) and valued recreational uses (including fishing, bird watching, waterfowl and other hunting, boating).
- #4. Enhance Recreational Opportunities by both providing water for recreation when and where needed and encouraging cooperative multiple recreational and wildlife opportunities.
- #5. Provide for Environmental Enhancement by providing adequate water for the environment where and where it is needed, avoid/mitigate environmental impacts of new project, and protect and improve water

Tier 2: Facilitating Water Activity Implementation

- d. Funding from this Account will reduce the uncertainty that the water activity will be implemented. For this criterion the applicant should discuss how receiving funding from the Account will make a significant difference in the implementation of the water activity (i.e., how will receiving funding enable the water activity to move forward or the inability obtaining funding elsewhere).**

When a landowner is ready to proceed with protecting their land and water, it is critical to move forward as quickly as possible to achieve the conservation easement. This is important for the momentum of the *Rio Grande Initiative* overall and for encouraging other landowners to consider protecting their properties with conservation easements. Without WSRA funding, this project could be pushed back for a year or more while we secure other sources of funding, during which time the price of land conservation could rise and with stalled momentum, the landowner might lose interest.

Even though the current real estate market is depressed, it appears to be gaining some new momentum. When it does, it is likely that scenic ranches with water rights will once again be sold and subdivided into housing developments and “ranchettes” at an increasing rate. This move from agriculture to development has already driven land values out of the reach of most agricultural producers. We are working hard to provide landowners an alternative to selling to developers and/or to separating their water rights for uses off the river corridor.

In addition, our historic water use patterns, riparian wetlands, water quality, scenic landscapes, wildlife corridors and habitat are all threatened by accelerating development, the demands for augmentation water for wells, and increased demands on the river. These threats can be minimized and land and water resources stabilized through conservation easements such as on the Haywood Ranch —*if we act in time*. As previously stated, the preservation of the riparian zone and flood plain, along with the associated water rights, will also provide a buffer to the river from groundwater depletions, thereby protecting senior surface rights and helping to preserve the economic base in the San Luis Valley.

Water Supply Reserve Account – Application Form

Revised December 2011

Timing of Opportunity:

We have spent the last several years achieving conservation opportunities through the *Rio Grande Initiative* and have protected substantial lands along the river. Because of this success, landowner interest is on the rise as they see their neighbors implement conservation easements. Since 2007, we have more than tripled the pace of conservation in the last five years from the prior 20 years. We are seeking to continue to meet landowner interest in order to maximize the number of conservation transactions we can achieve along the river corridor. Otherwise, the development of key lands could occur and the chance to preserve them and their important water rights may be permanently lost, rather than permanently protected.

- e. **The amount of matching funds provided by the applicant via direct contributions, demonstrable in-kind contributions, and/or other sources demonstrates a significant & appropriate commitment to the project.**

As outlined in the budget, the requested WSRA funds will be matched with funds of \$300,000 from NAWCA (application submitted July 2012) and a contribution of approximately 35% of the conservation easement value from the landowners, totaling approximately \$700,000 in match for this project. (Note that the actual amount of the landowner donation is determined by the final appraisal.)

Tier 3: The Water Activity Addresses Other Issues of Statewide Value and Maximizes Benefits

- f. **The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.**
- g. **The water activity assists in the administration of compact-entitled waters or addresses problems related to compact entitled waters and compact compliance and the degree to which the activity promotes maximum utilization of state waters.**
- h. **The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.**
- i. **The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.**
- j. **The water activity is complimentary to or assists in the implementation of other CWCB programs.**

All of the above values and benefits are realized through this project and have been extensively addressed in the previous sections of this application, so in the interest of efficiency, please refer to those sections.

Part IV. – Required Supporting Material

1. **Water Rights, Availability, and Sustainability** – This information is needed to assess the viability of the water project or activity. Please provide a description of the water supply source to be utilized, or the water body to be affected by, the water activity. This should include a description of applicable water rights, and water rights issues, and the name/location of water bodies affected by the water activity.

As one of the key components of this project, the property's senior surface water rights will be permanently attached to the land through the terms of the conservation easement. The senior water rights associated with this parcel include 6 cfs from the Silva Ditch, the #1 water right on the Rio Grande, that irrigate approximately 400 acres and are estimated at more than 400 acre-feet annual consumptive use.

Water Supply Reserve Account – Application Form

Revised December 2011

2. Please provide a brief narrative of any related studies or permitting issues.

Not applicable.

3. Statement of Work, Detailed Budget, and Project Schedule

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. **Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.** All WSRA funds are disbursed on a reimbursement basis after review invoices and appropriate backup material.

Please provide a detailed statement of work using the template in Exhibit A. Additional sections or modifications may be included as necessary. Please define all acronyms and include page numbers.

Exhibit A

Statement of Work

WATER ACTIVITY NAME –

Rio Grande Initiative: Haywood Ranch Conservation Easement

GRANT RECIPIENT – Rio Grande Headwaters Land Trust

FUNDING SOURCE - Basin and Statewide Accounts

INTRODUCTION AND BACKGROUND

The *Rio Grande Initiative* is a collaborative, community-based, landscape-scale effort to protect the land and water along the Rio Grande river corridor through voluntary, incentive-based, permanent conservation easements, with over 22,000 acres and 39 miles protected to date. The requested funds will be used by the Rio Grande Headwaters Land Trust for the acquisition of a conservation easement on an important, 400-acre Rio Grande river corridor ranch in Rio Grande County. This conservation opportunity will directly protect senior surface water rights in order to help sustain the historic water use patterns along the Rio Grande, while securing the agricultural productivity as part of the economic base of the San Luis Valley, important wildlife habitat, the flood plain function of the river corridor, and beauty of the scenic landscape. This is accomplished through a willing-seller/willing-buyer process for a voluntary conservation easement, which is purchased through a bargain sale and includes a substantial charitable donation of value (approximately 35%) by the landowner. The *Rio Grande Initiative* provides vital benefits to *both* consumptive and non-consumptive water needs in the Rio Grande Basin and contributes to the overall goal of the Round Table to achieve water sustainability.

OBJECTIVES

As part of the overall *Rio Grande Initiative*, this project will permanently protect a 400-acre working ranch and its share of the #1 senior water right on the Rio Grande, in Rio Grande County, through the purchase of a voluntary conservation easement.

TASKS

TASK 1 – Implementation

Implementation of voluntary conservation easement on key 400-acre parcel of land on the Rio Grande corridor in Rio Grande County with associated senior water rights. WSRA funds will be used solely toward the acquisition of a conservation easement. All other related costs for personnel, due diligence, etc. will be borne by RiGHT, the landowner and/or other funders so they are not documented in this application. The WSRA funds would be expended at closing on the conservation easement through a Title Company and only when all the due diligence is finalized, in a similar process to the prior WSRA awards.

Water Supply Reserve Account – Application Form

Revised December 2011

Description of Task

Easement process includes:

- Fundraising/submitting grant(s) for balance of state and/or federal funds
- Negotiations with landowner
- All due diligence required by law and funding sources including:
Appraisal, title work, mineral and water rights, survey (as needed), Phase I Environmental Site Assessment, Baseline Condition Report, negotiation of the deed of conservation easement, etc.
- Closing and recording of conservation easement
- Long-term stewardship of conservation easement as required, including annual monitoring, management plan updates at required intervals, and enforcement of easement terms when and if necessary

Method/Procedure

The conservation easement funded through this application will be held by the Rio Grande Headwaters Land Trust and the implementation will be conducted according to:

- 1) All legal requirements
- 2) Best practices determined by national land trust standards, and
- 3) All due diligence requirements of RiGHT and NAWCA will be fulfilled prior to and as a condition of closing.

Deliverable

The deliverable from this activity will be the completion of a permanent conservation easement on the Haywood Ranch, a 400-acre ranch and its associated water rights, with a willing landowner, on the Rio Grande river corridor in Rio Grande County.

REPORTING AND FINAL DELIVERABLE

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 statement 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 and documents related to the conservation easement.

BUDGET

Provide a detailed budget by task including number of hours and rates for labor and unit costs for other direct costs (i.e. mileage, \$/unit of material for construction, etc.). A detailed and perfectly balanced budget that shows all costs is required for the State's contracting and purchase order processes. Sample budget tables are provided below. Please note that these budget tables are examples and will need to be adapted to fit each individual application. Tasks should correspond to the tasks described above.

Water Supply Reserve Account – Application Form

Revised December 2011

Purchase Costs			
	WSRA Direct Costs	Matching Funds NAWCA	Total Project Costs
Purchase of Conservation Easement	\$425,000	\$300,000	\$725,000
In-Kind Contributions- Landowner donation of conservation value (approximate- pending final appraisal)		\$400,000	\$400,000
(Estimated- Pending final appraisal) Total Purchase Costs:	\$425,000	\$700,000	\$1,125,000

SCHEDULE

Provide a project schedule including key milestones for each task and the completion dates or time period from the Notice to Proceed (NTP). This dating method allows flexibility in the event of potential delays from the procurement process. Sample schedules are provided below. Please note that these schedules are examples and will need to be adapted to fit each individual application.

Task	First 6 Months						Second 6 Months					
	6/12 – 8/12		9/12 – 11/12		12/12 – 2/13		3/13 – 5/13					
A – Due Diligence and additional funds raised												
B – Finalize documentation												
C – Closing on Conservation Easement												
Final Reports												

PAYMENT

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. All products, data and information developed as a result of this grant must be provided to the 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 help promote the development of a common technical platform.

Water Supply Reserve Account – Application Form

Revised December 2011

The above statements are true to the best of my knowledge:

Signature of Applicant:



Print Applicant's Name: Nancy Butler

Project Title: *Rio Grande Initiative:* Haywood Ranch Conservation Easement

Date: July 18, 2012

Return an electronic version (hardcopy may also be submitted) of this application to:

Greg Johnson – WSRA Application
Colorado Water Conservation Board
1580 Logan Street, Suite 200
Denver.CO 80203

Attachments

Exhibit A: Statement of Work- see above

Letters:

- Letter from Round Table Chairperson, Mike Gibson
- Letters of Support:
 - Senator Gail Schwartz
 - Representative Ed Vigil
 - Craig Cotton, Division Engineer, Division 3, CDWR
 - Rio Grande Water Users Association
 - Rio Grande Water Conservation District
 - City of Monte Vista

Photo page of Haywood Ranch

Map of Haywood Ranch will be provided as part of due diligence, if funding is awarded.

W-9 Form for the Rio Grande Headwaters Land Trust

Rio Grande Initiative: Haywood Ranch Conservation Project

With 6 cfs of the #1 priority water right on the Rio Grande in Colorado, conservation of the Haywood Ranch benefits both Non-Consumptive and Consumptive needs.



Non-consumptive benefits include protecting key wildlife habitat, sustaining wetlands and riparian corridor habitat and health and contributing to public safety by protecting the flood plain.



Consumptive benefits include securing land and water for agriculture and assisting the State with Rio Grande compact administration.

All photos by Rio de la Vista



GAIL SCHWARTZ
Senate District 5

200 E. Colfax Avenue
Denver, Colorado 80203
Capitol: 303-866-4871
FAX: 303-866-4543
Home: 970-925-3013

Email: gail.schwartz.senate@gmail.com

**SENATE
STATE OF COLORADO
DENVER**

COMMITTEES

Agriculture, Natural Resources, and Energy
Chair
Capital Development Committee
Member
Committee on Legal Services
Member
Transportation
Member

July 9, 2012

To Whom It May Concern:

This letter is to express my support for the Rio Grande Headwaters Land Trust's (RiGHT) proposal for the Haywood Ranch conservation easement, which will protect a portion of the #1 water right on the Rio Grande. This project is a continuation of the important work of the *Rio Grande Initiative*, a collaborative, community-based effort of RiGHT, The Nature Conservancy, Ducks Unlimited, and many local, state and national partners.

As the State Senator for this region over the past six years, I know how critical it is to sustain the health of the Rio Grande corridor, its agriculture, wildlife and the senior water rights that sustain these values. The *Rio Grande Initiative* is a successful and viable approach to securing this spectacular river corridor and all of its vital functions for the community, in perpetuity and through voluntary, incentive-based means.

RiGHT's protection of the Haywood Ranch and its exceptional water rights will add another vital piece of the river corridor to the overall effort. It will result in many benefits, meeting both consumptive and non-consumptive needs; contributing to the state's wildlife habitat, to the state's ability to administer the water and meet the Rio Grande Compact obligations, and to the sustainability of the entire Rio Grande Basin. This project is significant to the San Luis Valley community's ability to 1) sustain the economic contributions of agriculture and water use in the historic patterns that also 2) support substantial riparian wetlands and important wildlife habitat, including for the endangered Southwestern Willow Flycatcher, 3) protect the scenic beauty and open space along the headwaters of one of our nation's most important rivers, and 4) contribute to public safety through maintaining a functioning flood plain.

Thank you for your support of the Haywood Ranch protection project, which will help conserve one of Colorado's most vital agricultural and wildlife areas. I encourage your support of this project to the fullest extent possible.

Sincerely,

Senator Gail Schwartz

State Representative
EDWARD VIGIL
P.O. BOX 642
Alamosa, Colorado 81101
Capitol: 303-866-2916
Email: edvigil@gmail.com



Member:
Agriculture, Livestock, and
Natural Resources Committee
Capital Development Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

July 06, 2012

To Whom It May Concern:

This letter is in strong support of the Rio Grande Headwaters Land Trust's (RiGHT) proposal for Water Supply Reserve Account funds to implement the Haywood Ranch conservation easement. This project is another important piece of the on-going effort to protect the land and water along the Rio Grande river corridor and its tributaries through the *Rio Grande Initiative*. Begun in 2007, this collaborative, community-based effort of RiGHT, The Nature Conservancy, and Ducks Unlimited, has garnered many local, state and national partners and is contributing to the long-term sustainability of water in the Rio Grande Basin.

As a life-long resident of the San Luis Valley and House District 62 Representative for the region, I have a deep understanding of how critical it is to sustain the health of the Rio Grande corridor, its agriculture, wildlife and the senior water rights that sustain these values. The *Rio Grande Initiative* is a successful and viable approach to securing this spectacular river corridor and all of its vital functions for the community, in perpetuity and through voluntary, incentive-based means.

RiGHT's protection of the Haywood Ranch will add another vital piece of the river corridor and senior water rights to the overall effort, by protecting over 400 acres and a portion of the #1 water right on the Rio Grande in Colorado. It will meet both consumptive and non-consumptive needs: contributing to the state's wildlife habitat, to the state's ability to administer the water and meet the Rio Grande Compact obligations, and to the sustainability of the entire Rio Grande Basin. Protection of the Haywood Ranch is another significant component of the Rio Grande Initiative and will benefit the community by helping 1) sustain the economic contributions of agriculture and water use in the historic patterns, 2) support substantial riparian wetlands and important wildlife habitat, including for the endangered Southwestern Willow Flycatcher, 3) protect the scenic beauty and open space along the headwaters of one of our nation's most important rivers, and 4) contribute to public safety through maintaining a functioning flood plain.

Thank you for your support of the Haywood Ranch protection project, which will help conserve one of Colorado's most vital agricultural and wildlife areas. I encourage your support of this project to the fullest extent possible.

Sincerely,

Representative Edward Vigil



WATER DIVISION 3

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WATER RESOURCES

John W. Hickenlooper
Governor

Mike King
Executive Director

Dick Wolfe, P.E.
Director/State Engineer

Craig W. Cotten, P.E.
Division Engineer

July 2, 2012

Mr. Todd Doherty
Colorado Water Conservation Board
Water Supply Planning Section
1580 Logan Street, Suite 200
Denver, CO 80203

RE: Haywood Ranch WSRA Application from the Rio Grande Headwaters Land Trust

Mr. Doherty:

This letter is in support of the application from the Rio Grande Headwaters Land Trust (RIGHT) as proposed to the Rio Grande Roundtable for funding to establish a permanent conservation easement on the 400+ acre Haywood Ranch along the Rio Grande river corridor. Conservation easements keep the land base intact, tie water rights to the land, and ensure that historic irrigation practices continue.

The protection of the hydraulic characteristics of the alluvial corridor of the Rio Grande is important to maintaining a functional river system. This protection includes continued operation of the irrigation systems along the river; systems which were in place when the Rio Grande Compact was negotiated and are thus a part of the underlying physical framework and assumptions of the Compact. The change of these areas from irrigated agriculture to developed land, or simply the removal of water rights from these areas, will have a negative effect on the river and the operation of the Compact.

Today, the irrigated lands on the Haywood Ranch create a riparian/groundwater buffer and generate significant return flows to the Rio Grande. These return flows allow for further diversion of water downstream or can be used to assist in Colorado's delivery obligations under the Compact. Bigger water years/diversions tend to "fill" this alluvial area making deliveries to other water rights or to the Compact during subsequent drier years less onerous.

I recommend the CWCB approve funding for this project. If you need further information regarding the impact of this proposal on Colorado's water administration or Compact operations please contact me at (719) 589-6683.

Sincerely,

Craig W. Cotten
Division Engineer
Division of Water Resources, Division 3

cc: Mike Gibson, Chair, Rio Grande Basin Round Table
Nancy Butler, Executive Director, Rio Grande Headwaters Land Trust

Water Division 3 • Alamosa

P. O. Box 269 (301 Murphy Drive) • Alamosa, CO 81101 • Phone: 719-589-6683 • Fax: 719-589-6685
www.water.state.co.us

The Rio Grande Water Users Assn.

P.O. Box 288

Monte Vista CO. 81144

Telephone: (719) 852-3556 * FAX: (719) 852-5958

July 8, 2012

Colorado Water Conservation Board
Attn: Greg Johnson
1580 Logan Street, Suite 200
Denver, Colorado 80203

Dear Members of the Board,

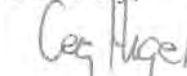
On behalf of the Rio Grande Water Users Association, this letter provides our enthusiastic support for the Rio Grande Headwaters Land Trust's (RiGHT) application for the Haywood Ranch conservation project. This project will keep important land and water resource intact, helping to sustain agricultural productivity and our local economy.

Conservation of the Haywood Ranch is also an important part of addressing local concerns, regarding our region's critical water resources. This property contains a portion of the most senior water right on the Rio Grande and will protect approximately 400 acre-feet of consumptive water use annually. By protecting this water with the land, we can ensure that it will be available for agriculture and wildlife in the future.

RiGHT's opportunity to work with the landowner on this project is the result of years of hard work and conservation successes. With its valuable senior water rights, the Haywood Ranch plays a significant role in maintaining the historic hydrology of the river, helping sustain a functioning network of wetlands and riparian habitat. Fragmentation and loss of water resources remain the greatest threats to this habitat. Conservation would address both of these, securing the land and water for the long term.

Thank you for your consideration and we hope you will support the Haywood Ranch project.

Sincerely,



Greg Higel, President
Rio Grande Water Users Association



Rio Grande Water Conservation District

10900 Highway 160 East • Alamosa, Colorado 81101

Phone: (719) 589-6301 • Fax: (719) 589-4331

Protecting & Conserving San Luis Valley Water

June 27, 2012

Colorado Water Conservation Board

Attn: Greg Johnson

1580 Logan Street, Suite 200

Denver, Colorado 80203

Dear Members of the Board,

On behalf of the Rio Grande Water Conservation District (RGWCD), this letter provides our enthusiastic support for the Rio Grande Headwaters Land Trust's (RiGHT) application for the Haywood Ranch conservation project as part of the *Rio Grande Initiative*. The RGWCD has supported and provided matching funds for this important collaborative effort between RiGHT, The Nature Conservancy, Ducks Unlimited and many others since its beginning in 2007.

As part of the *Initiative*, conservation of the Haywood Ranch is an important part of addressing local concerns, including protection of agricultural lands, important wildlife habitat, wetlands, and our region's critical water resources. This property lies in the Rio Grande floodplain and its protection will add to a growing corridor of conserved lands that totals over 22,000 acres along the river corridor in Colorado.

RiGHT's opportunity to work with the landowner on this project is the result of years of hard work and conservation successes. With its valuable senior water rights, the Haywood Ranch plays a significant role in maintaining the historic hydrology of the river, helping sustain a functioning network of wetlands and riparian habitat. Fragmentation and loss of water resources remain the greatest threats to this habitat. Conservation would address both of these, securing the land and water for the long term for both agriculture and wildlife.

Thank you for your consideration and we hope you will support the Haywood Ranch project.

Sincerely,

A handwritten signature in blue ink, reading "George Whitten Jr.", is written over a faint, larger version of the same signature.

George Whitten
President



CITY OF MONTE VISTA

www.cityofmontevista.com

4 Chico Camino in Colorado 81144

City Manager: (719) 852-2692
City Services: (719) 852-5926
Parks & Recreation: (719) 852-2692
Sports Hotline: (719) 852-4580

Administration: (719) 852-5926
Municipal Court: (719) 852-6171
City Hall Fax: (719) 852-6167
Human Resources Fax: (719) 852-6172

Colorado Water Conservation Board
Attn: Greg Johnson
1580 Logan Street, Suite 200
Denver, CO 80203

July 12, 2012

Dear Board of Directors,

The City of Monte Vista fully supports the Rio Grande Headwaters Land Trust (RiGHT) and their request for funding from the Colorado Water Conservation Board to protect the Haywood Ranch. While not within the city limits, we support this conservation project because it protects those resources and values central to our economy and way of life in Monte Vista.

A conservation easement on the Haywood Ranch will preserve vital agricultural lands, wildlife habitat, and the scenic beauty of the area, all of which contribute greatly to our local economy. Furthermore, it will prevent development of the ranch and its associated water rights, which helps protect the floodplain and lessens the risk of downstream flooding.

We feel fortunate to live and work in such a beautiful area and applaud the efforts of RiGHT to preserve intact lands in the San Luis Valley and especially along the Rio Grande. Additionally, we see the protection of the Haywood Ranch as a critical part of the overall efforts of both conservation groups and local governments to preserve the land and water that in turn preserves the beauty of our valley and our livelihood here.

The City of Monte Vista strongly supports RiGHT and their effort to conserve the Haywood and we hope that you will do the same. Thank you for your time.

Sincerely,

Don Van Wormer
Monte Vista City Manager