

**Interbasin Compact Committee
Basin Roundtables**

Gunnison Basin Roundtable

Meeting Agenda

**November 5, 2012
Holiday Inn Express
Montrose, CO
4:00 p.m. – 7:00 p.m.**

Call to Order
Roll Call/Introductions
Approve Agenda
Approve Minutes from 8/6/2012 & 10/1/2012 Meetings (October minutes attached)
Report from IBCC Representatives (action item)
Report from Educational Committee
Report from CWCB Representative
Report from Water Conservation Committee (attached)

1. **Scenario Planning** – Presentation by Todd Doherty.
2. **Presentation - Canal Automation/Modernization** – Zach Thode, Project Delivery Engineer for Rubicon Water.
3. **Presentation – ‘Saving water, energy, effort, and mileage in a working water solution’**, Annette Aring & Jim Butler, AMCi.
4. **Project Proposal** – Uncompahgre Watershed Partnership, \$22,186.62 from Basin Account Funds for Crystal Lake Fishing Pier. (see October meeting packet)
5. **Project Proposal** – Colorado Open Lands, \$167,000 from Basin Account Funds for Lake San Cristobal Inlet Preservation & Fishing Access Project. This application was not submitted in time for an adequate review by the Project Screening Committee, however, the screening committee would like to discuss the application and some identified concerns. (see attached application)
6. **Water Supply Reserve Account** – The Roundtable members will discuss the establishment of a deadline for submission of applications for funding from the Water Supply Reserve Account to the Project Screening Committee.
7. **Resignation** – Dixie Luke, At-Large Member.
8. **Roundtable Membership & Attendance** – The Roundtable members will review and discuss continuing vacancies in membership and truancy standards for meeting attendance.
9. **Annual Meeting** – Election of Officers

**Interbasin Compact Committee
Gunnison Basin Roundtable Meeting
Holiday Inn Express
Montrose, Colorado
October 1, 2012**

Voting Members Present:

Thomas Alvey	North Fork WCD
Mike Berry	Tri-County WCD
Jennifer Bock	Environmental
Rick Brinkman	Mesa Municipalities
Allen Brown	Hinsdale County
Cary Denison	Ouray County
Joanne Fagan	Ouray Municipalities
Austin Keiser	Grand Mesa WCD
Wendell Koontz	Delta Municipalities
Frank Kugel	At-Large Member
Chuck Mitisek	Ute WCD
Michelle Pierce	Hinsdale Municipalities
Hugh Sanburg	Industrial
Neal Schwieterman	Recreational
Steve Shea	Agricultural
Ken Spann	Upper Gunnison River WCD
Bill Trampe	Colorado River Water Conservation District
Adam Turner	Local Domestic Water Supplier
Rufus Wilderson	Gunnison County

Voting Members Absent:

Marc Catlin	At-Large Member
Tim Decker	Montrose County
Rachel Kullman	Montrose Municipalities
Henry LeValley	Crawford WCD
Dixie Luke	At-Large Member
Olen Lund	Delta County
John McClow	House and Senate Ag Committees, CWCB Liaison
Bill Nesbitt	Gunnison Municipalities
Ron Shaver	At-Large Member
George Sibley	At-Large Member
Vacant	Mesa County
Vacant	Saguache County

Liaisons and Non-Voting Members Present:

Sharon Dunning (Assistant Recorder), Bob Hurford (CDWR Liaison), David Kanzer (At-Large), Jedd Sondergard (BLM Liaison), Gary Shellhorn (USFS Liaison).

Public: Richard Vangytenbeek (Trout Unlimited), Drew Beckwith (Western Resource Advocates), Todd Doherty (CWCB), Nathan Henne (Town of Lake City).

Welcome

The meeting was called to order at 4:00 p.m. by Chairperson Michelle Pierce.

Roll Call/Introductions

Following roll call it was declared that quorum was not present.

Michelle Pierce introduced Nathan Henne as the new Town Manager for the Town of Lake City. Michelle also provided her new email address to the Roundtable as michellepierce@centurytel.net.

Approve Agenda

No quorum was present to approve the agenda.

Approve August 6, 2012 Meeting Minutes

No quorum was present to approve the minutes.

Report from the IBCC Representatives

Bill Trampe stated that he attended the IBCC meeting on September 11. Bill felt that it was an interesting meeting because again the IBCC is faced with the east/west debate about how and how fast the IBCC is moving forward and what it is accomplishing. Some Roundtables do not see much merit in the scenario planning process.

The morning session was a lengthy discussion about how and where the process is going and whether it is fast enough to provide what the Front Range needs to fill the gap at the rate they claim it needs to be filled. Nonetheless, the IBCC is moving forward with the same plan and the IBCC staff will be visiting all the Roundtables to get input on scenario planning.

The plan is to have several scenarios. One scenario deals with the worst case - the most rapid growth with the hottest temperatures and lowest supply. Another scenario will be designed more around an environmentally sensitive growth pattern with extreme temperatures and an extremely short supply. And then there will be a scenario that is somewhat like current situation - relatively fast growth with very little control as far as environmental sensitivity.

The big debate is about whether we're moving fast enough to meet the desires of the Front Range and Arkansas Valley. It is important for us to be responsible and accountable, but recognize that those folks do have a problem, and we should be part of their solution.

There was not a quorum present to ratify Bill's report.

Report from the Educational Committee

George Sibley was not at the meeting, but asked Michelle Pierce to deliver his report that he prepared for the Roundtable members.

George summarized on the two events that the Gunnison Basin Roundtable hosted this summer for the “Year of Water”. The June event in Gunnison commemorated the 50th Anniversary of the commencing of construction on the Blue Mesa Dam of the Curecanti/Aspinall project. The August event commemorated the 50th anniversary of construction of the Paonia dam. Both were held in conjunction with Roundtable meetings in the projects’ home watersheds. Given the number of people who showed up for both of those Roundtable meetings who do not make the trip to Montrose for the regular meetings, he suggests that the Roundtable hold summer and/or fall meetings in the other parts of the basin. Ken Spann agreed with George’s suggestion. Bill Trampe suggested 1 or 2 meetings per year strategically planned to be least disruptive to those who have to travel some distance. Michelle said she would put it on her calendar, and that the Roundtable will start to discuss it well in advance.

Hannah Holm has been collecting articles and short essays from members about aspects of the water situation, and these have been published consistently by the Grand Junction Free Press, as well as other newspapers and magazines around the region. Hannah is working on presentations as well, which could be delivered to various groups around the basin in the interest of increasing public knowledge and participation. She will be contacting members about setting up presentations in their home areas.

The newspaper insert about the “Gunnison Basin, Its Past, Present, and Future” is still being developed. What is still needed are good pictures of the basin, historical and current, people working with water, major and minor construction of structures and the like.

There will be a public participation and outreach meeting late in October, probably in the Frisco or Breckenridge area. The CWCB is tentatively promising to pay mileage to that meeting. The Education Committee would like to have more participation, and this would be a chance to meet with other people around the state to talk about public education.

Report from the CWCB Representative

There was no report from the CWCB.

1. **Filling the Gap** – Drew Beckwith, Water Policy Manager for Western Resources
Advocates presented an Executive Summary of two ‘Filling the Gap’ reports produced in cooperation with Trout Unlimited and the Colorado Environmental Coalition. This series of reports that has been worked on over the past couple of years and is an extension of the river report on “Facing our Future” which was written in 2005 concluded that the gap in Colorado can be met strictly with conservation efforts. The focus now is on new areas of water management, water conservation, and water reuse. Land use planning will play a large role in conservation in the future.
2. **Canal Automation/Modernization** – Zach Thode, Project Delivery Engineer for Rubicon Water, presenting information about these new technologies.

This item has been moved to the next meeting agenda in November.

3. **M & I Water Conservation** – Roundtable Members discussed their expectations for municipal and industrial water conservation measures from Front Range and Eastern Slope water providers and users including what measures are reasonable, how much water can really be saved, how the savings should be applied and how land use codes can be used to promote conservation. The Roundtable members also discussed potential water conservation plans and measures for Western Slope water providers/users.

Some of the discussion was about how part of problem is that the water shortage issue is not being faced, and that there is no incentive to conserve water on the Western Slope. Conservation will have to happen with land use changes, specifically that we cannot allow urban sprawl. Many of the Roundtable members agreed the best way to get people to conserve is to hit them in the pocketbook.

Michelle suggested that a committee be formed and that they should meet before the next Roundtable meeting. A new committee was formed consisting of: Rufus Wilderson, Frank Kugel, Joanne Fagan, Steve Shea, Mike Berry, Jennifer Bock, and Adam Turner, with Frank Kugel to chair the effort. The committee will plan to meet before the next Roundtable meeting in November.

Michelle Pierce mentioned that a meeting was tentatively planned for all Roundtables on November 14, but that date might be shifted.

4. **Water Supply Reserve Account, Applications for Funding of Non-Consumptive Projects**

Roundtable member Cary Denison presented information on the non-consumptive needs assessment process, and gave an overview of the projects that have been funded and successes.

The discussion shifted to project funding and whether the Roundtable wants to provide guidance. Tom Alvey suggested that any guidance would be helpful, and that currently there is not a good set of criteria.

5. **Project Proposal** – Uncompahgre Watershed Partnership, \$22,186.62 from Basin Account Funds for Crystal Lake Fishing Pier.

Tom Alvey stated that the screening committee did not support the application. Discussion will continue at the next meeting.

6. **Withdrawal of Project Proposal** – Trout Unlimited, \$40,000 from Statewide Account Funds and \$10,000 from Basin Account Funds for Relief Ditch Diversion Modification Project.

Cary Denison explained that this request for funding was withdrawn since there is plenty of funding for this stage of the project. There will possibly be a proposal for later stages of the project.

7. **Withdrawal of Project Proposal** – The Colorado Division of Parks & Wildlife/City of Gunnison, have withdrawn their request for \$200,000 from Statewide Account Funds & \$20,000 from Basin Account Funds for Gunnison River System Assessment & Restoration.

8. **Basin Roundtable Project Exploration Committee: Flaming Gorge** – Report and Update, Rick Brinkman and Ken Spann.

Ken Spann stated that the committee met last month in Longmont, and worked on developing a process to build a project. Ken built a process flowchart and reviewed it with the Roundtable. Frank Kugel stated that there would be a meeting on Wednesday with the CWCB staff to work on updating the process.

Note: A small focus group studying the possibility of putting excess water storage in Blue Mesa, is planning to meet on November 11.

Next Meeting

The next regular meeting of the Gunnison Basin Roundtable will be at 4:00 p.m. on Monday, November 5, 2012, at the Holiday Inn Express in Montrose.

Adjourn

There being no further business to come before the Roundtable, the meeting adjourned at 7:30 p.m.

Mike Berry, Recorder

Action Items

The M & I Water Conservation committee will meet before the November 5 Roundtable meeting.

DRAFT

Water Conservation Committee Gunnison Basin Roundtable

October 15, 2012

The Water Conservation Committee of the Gunnison Basin Roundtable held its first meeting on October 15, 2012 at the Tri County Water Conservancy District office in Montrose.

Committee members present: Jennifer Bock, Joanne Fagan, Mike Berry, Steve Shea, Rufus Wilderson, Adam Turner, Frank Kugel (chairman)

Background: The purpose of this meeting was to begin developing a GBRT position statement on water conservation. This statement would be presented at the Water Conservation Mini-Summit in Silverthorne on December 3, 2012. The Conservation Mini-Summit agenda includes the following topics:

1. Summarize the information from the May meeting in Montrose on what the Front Range and West Slope water providers are already doing.
2. Have a presentation from CWCB staff regarding the work of the Conservation Technical Advisory Group (CTAG) and progress on HB 1051. This may also include other work that has already been done.
3. Presentation and discussion on the work of the IBCC Conservation Subcommittee.
4. Relate conservation efforts to meeting "the gap" and how it ties in with other aspects of the portfolio.
5. Make sure the agenda is advancing the topic of conservation and leads to some resolution or agreement of an issue or next step.

The items highlighted above are topics that are important in developing a position by the GBRT.

Discussion:

House Bill 1051 implementation requirements were discussed. This bill is intended to give water planners an accurate picture of current water efficiency efforts. It builds on existing efficiency and conservation programs by centralizing data regarding water efficiency plans in Colorado. This data will be assembled by the Colorado Water Conservation Board.

Mike Berry said that Tri-County Water Conservancy District has undertaken measures pursuant to CWCB requirements that certain grants are tied to conservation efforts. They conducted water audits for six to eight businesses with high water usage. These customers were shown ways to reduce their water usage by significant amounts.

Every M & I water provider is different, as pointed out in the May meeting in Montrose. Top down mandates on water conservation are problematic because of the vast differences in supply, demand, distribution, and uses among municipal providers. Mandates that do not take local conditions into account will at best be marginally effective and at worst, counterproductive.

Mike gave local examples of per capita usage data for their M & I systems. The per capita usage in the Tri-County system ranged from 49 gpd to 285 gpd, depending on the time of year, elevation differences of as much as 3000 feet, demographics and lot sizing, and whether ditch irrigation was available. This system variability makes it difficult to determine an appropriate goal for per capita water conservation. Goals by land use/subdivision type might be more appropriate.

Adam provided water purchase records which showed an overall decrease in annual per capita use from 175 gpd in 2009 to a projected 141 gpd in 2012.

Water conservation plans must be discussed, evaluated and implemented with an eye to the context and purpose of the effort. For instance, low-flow showers and toilets clearly reduce the amount of water that a household uses, but they have little or no effect on the consumptive use of water. Thus, if the purpose is to make better use of the water resources available, then low-flow devices serve that purpose. If the purpose is to guard against downstream calls by senior rights or compact calls, such devices are meaningless, and perhaps counterproductive.

Logic indicates and history proves that cost is perhaps the number one factor in limiting use. Generally speaking, people use more water than is required. As prices go up, usage goes down. However, raising the cost of water is extremely unpopular with the public and has political consequences for water providers and their boards.

Adam Turner stated that Project 7 Water Authority developed a water conservation plan in 2009, while Tri-County did theirs in 2010. Both plans focused on water education. Adam said that a local contractor expo included sprinkler companies present. Project 7 asked them to reach out to their landscaping customers and institute demand reduction measures such as irrigation timing, which would avoid lawn watering in the middle of the day and would stagger the operation times to lessen peak demands. This resulted in measureable results.

Mike pointed out that with significant M & I conservation effort a 20% reduction in water consumption was conceivable in the Uncompahgre basin. For Tri-County, this would result in a savings of only 2000 af. To put this into perspective, the same savings could be achieved by turning off the Gunnison Tunnel one day early.

Conservation efforts have resulted in a substantial negative impact on the receipts by municipal water providers. Water conserved is water not purchased. Some effort must be given to quantify this impact and plan for alternate funding to make up for revenue losses.

Conservation efforts are in part thwarted by existing water law. As a primary example, water not diverted and put to use may be declared abandoned. Thus, conservation efforts may result in a municipal provider losing some of its water rights. Similarly,

the citizens in a municipality with senior water rights may well object to subordinating their interests so that junior diverters may exercise their rights. Some effort must be given to identifying legislative fixes for these issues.

In summary, the Water Conservation Committee determined that significant conservation efforts have already taken place in the Gunnison basin. The Committee concluded that the following three questions should be discussed at the November GBRT meeting and carried forward to the Water Conservation Mini-Summit:

- 1. How can water providers overcome the lost revenue when conserving water and thereby reducing water sales?**
- 2. What happens to water rights that are no longer being used due to water conservation?**
- 3. Should the water savings from conservation be applied to the gap? If so, what percentage? For the Front Range? For the West Slope?**



COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM



Lake San Cristobal Inlet Preservation and Fishing Access
Project

Name of Water Activity/Project

Colorado Open Lands

Name of Applicant

Gunnison

Amount from Statewide Account:

\$0

Amount from Basin Account(s):

\$167,000

Total WSRA Funds Requested:

\$167,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

Application Content

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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 (CWCBC). 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 CWCBC 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 CWCBC 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):	Colorado Open Lands		
	Mailing address:	274 Union Boulevard, Suite 320 Lakewood, CO 80228		
	Taxpayer ID#:	84-0866211		
	Primary Contact:	Dieter Erdmann	Position/Title:	Conservation Director
	Email:	derdmann@coloradoopenlands.org		
	Phone Numbers:	Cell: 303-638-9465	Office:	303-988-2373 x 217
	Alternate Contact:	Amanda Nims	Position/Title:	Protection Specialist
	Email:	anim@coloradoopenlands.org		
	Phone Numbers:	Cell:	Office:	303-988-2373 x 215

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

Colorado Open Lands is a statewide, 501 (c) 3 non-profit land trust that helps families achieve their dream of permanently protecting their land. Together we have protected more than 256,000 acres in 40 counties around Colorado. Our work permanently secures Colorado's farms, ranches, wildlife habitat, rivers, and irreplaceable scenic lands.

Founded in 1981 by a team of business leaders known as the Colorado Forum, our creative, landowner-friendly approach to land conservation has been instrumental to our success. The landowners we work with are as diverse as the population of Colorado, including ranchers, farmers, long-time local residents, and second homeowners. We collaborate with government agencies, including local city and county governments, as well as state and federal agencies. In addition, Colorado Open Lands frequently collaborates with other non-government organizations, such as The Conservation Fund and Ducks Unlimited, and local land trusts around the state.

With a full-time staff of seven, Colorado Open Lands is both effective and agile. Our skilled team protects between 10,000-12,000 acres annually, and our reputation for leadership and excellence in the conservation community is backed by a track record of pragmatism and project success.

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.

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

☐ 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. Colorado Open Lands is a 501 (c) 3 non-profit organization.

Water Supply Reserve Account – Application Form

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Part II. - Description of the Water Activity/Project

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

☒ Nonconsumptive (Environmental or Recreational)

☐ Agricultural

☐ Municipal/Industrial

☐ Needs Assessment

☐ Education

☐ Other Explain:

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

Not applicable.

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

☐ Study

☒ Implementation

4. To catalog measurable results achieved with WSRA funds can you provide any of the following numbers?

New Storage Created (acre-feet)

New Annual Water Supplies Developed, Consumptive or Nonconsumptive (acre-feet)

Existing Storage Preserved or Enhanced (acre-feet)

Length of Stream Restored or Protected (linear feet)

Length of Pipe/Canal Built or Improved (linear feet)

Efficiency Savings (acre-feet/year OR dollars/year – **circle one**)

Area of Restored or Preserved Habitat (acres)

Other – Explain:

Water Supply Reserve Account – Application Form

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4. To help us map WSRA projects please include a map (Exhibit B) and provide the general coordinates below:

Latitude: 37°57' 31.56" N

Longitude: 107°17' 51.23" W

5. 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.

The purpose of the **Lake San Cristobal Inlet Preservation and Fishing Access Project** is to acquire a conservation easement to preserve approximately 116 acres of prime lake-shore real estate containing 37 acres of grasslands, mixed conifer, and cottonwood forest, and 79 acres of delta wetland created by the Lake Fork of the Gunnison River as it enters Lake San Cristobal. The project will also provide permanent public access to 0.65 miles of the Lake Fork of the Gunnison River for fly fishing. This project represents a unique conservation opportunity because the property contains numerous and diverse conservation values that will be protected in perpetuity by the conservation and fishing access easements.

Non-Consumptive Needs/Benefits

The Gunnison Basin Non-Consumptive Needs Assessment identifies Lake San Cristobal a “Major Recreational Segment” due to its “Highest Recreation and Fishery” attributes. This project ensures the protection of or directly enhances nearly all of the attributes identified in the Needs Assessment for Lake San Cristobal. In addition, the project meets the Gunnison Basin Roundtable objective of “Preserving Open Space” in a highly sensitive scenic landscape. The following project needs and benefits are organized by attributes identified in the Non-Consumptive Needs Assessment.

Environmental Attributes

Significant Wetland/Riparian Plant Communities: The delta is comprised of a complex of historic channels, remnant beaver dams, patches of open water, and diverse and largely intact montane wetlands, with extremely high functional values and that support a diverse array of wildlife species. The Colorado Natural Areas Program has nominated the site for recognition as Colorado Natural Area.

Aquatic Dependent State Species of Concern: The Colorado Natural Areas Program has documented the presence of a thriving population of Northern Leopard Frog, a State Species of Special Concern, at the site. This attribute was evaluated in the Non-Consumptive Needs Assessment, but was concluded not to occur in the area.

Special Value Waters, Natural Lake Levels: While water levels at Lake San Cristobal are seasonally manipulated to augment municipal water needs of Lake City and for agricultural uses downstream, conditions resemble natural levels closely enough to be designated Special Value Waters by CWCB. While this project will not impact water levels, the hydrology of Lake San Cristobal and the delta are inseparable, with wetlands present on the property providing sediment filtration and flood control, ultimately contributing to better water quality in Lake San Cristobal and the Lake Fork of the Gunnison River.

Recreational Attributes

Riparian/Wetland Wildlife Viewing: The Alpine Loop Scenic Byway is a rugged but well-travelled back country byway, offering year-round opportunities for access to the remote, rugged heart of the San Juan Mountain region. The Alpine Loop skirts the property’s western boundary. Approximately 300,000 visitors per

Water Supply Reserve Account – Application Form

Revised December 2011

year travel the Alpine Loop, with more than 90% of this use occurring during the short, but busy, summer season. The property provides prime wildlife viewing opportunities for travelers on the Alpine Loop. Moose, deer, elk, waterfowl, and bald eagle are commonly spotted on the property (the moose photograph included with this application was taken from the Alpine Loop in September 2012).

Flat Water Boating, Significant Cold Water Fishing, High Recreation Lakes and Reservoirs: The property is the visual centerpiece for the general public recreating on and around Lake San Cristobal, which is a popular destination for fishing, camping and boating. Hinsdale County owns and operates a public boat launch, a public campground, and a day-use picnic area on Lake San Cristobal adjacent to or within sight of the property. As an indication of public use, the 31-site public campground registers an average of 2,500 user nights per summer season. This project will protect 2,175 linear feet of the shoreline of Lake San Cristobal from inappropriate uses and management, and will secure permanent public access to 0.65 miles of the Lake Fork of the Gunnison River that flows through the property for fly fishing. Colorado Parks and Wildlife staff estimate that as a result of the public access, the property will be used by 150 anglers per month (375 angler hours) during the summer months. Protection of this property will preserve the last significant undeveloped piece of private property located within this important public recreation area.

Open Space

The property is situated in a matrix of public lands owned by Hinsdale County and the Bureau of Land Management, both of which are under special conservation and management status. The project will protect scenic views from two Colorado Scenic Byways, the Alpine Loop Scenic Byway (as mentioned above) and the Silver Thread Scenic Byway as it traverses Slumgullion Pass. Given its location close to nearby Lake City, residents and visitors alike will benefit from protecting the property in its natural, undeveloped state. Visitors drawn to the scenic and recreational resources of Lake San Cristobal and the Loop are a major economic driver for Lake City and Hinsdale County as a whole, as nearly 40% of year-round residents are employed in tourism-related businesses.

The property to be conserved is extremely economically valuable due to its location along the lake shore with several highly visible and accessible building sites. The owner of the property is very motivated to complete the easement transactions given her age (96 years old) and her desire to protect the inherent conservation values of the property that first attracted her and her family to the area. The total project value is expected to be at least \$1,800,000. The purchase price for the conservation and access easement will be \$1,000,000. The landowner will donate at least \$800,000 in project value. To date, Colorado Open Lands has raised \$833,000 from Great Outdoors Colorado and from Colorado Parks and Wildlife's Fishing is Fun Grant Program. A Gunnison Basin Roundtable investment of \$167,000 would be leveraged in excess of 9:1.

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

This activity is consistent with the above referenced Statute and the additional Statutes and Constitutional Article referenced in Part III 1. c), below. A conservation easement is a voluntary legal agreement between a landowner and a charitable organization or government entity that permanently protects scenic or agricultural open space, natural habitat, or recreational areas. Numerous federal, state and local entities promote and utilize conservation easements 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, among others.

- 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 BRT's 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.

To be determined.

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 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.

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- 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.

See Part III 1. a), above.

- d) Matching Requirement: For requests from the **Statewide Fund**, the applicants 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 CWCBC. 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 indicated in the budget included in the Statement of Work, this request is for \$167,000 from the Gunnison Basin Roundtable. Any award would be matched by \$700,000 in funding from the Great Outdoors Colorado Trust Fund (awarded June 2012) and \$133,000 from Colorado Parks and Wildlife (awarded August 2012). Furthermore, the landowner will donate an additional \$800,000 in conservation easement value (the actual donation amount will be determined by a final appraisal) and over \$40,000 in project costs. The Lake Fork Valley Conservancy will provide an estimated \$3,800 in in-kind services through the preparation of a baseline report for the property, and Colorado Open Lands will contribute \$7,000 in legal fees. This request far exceeds the minimum match requirements detailed above, with an estimated project value of \$1,800,000 and with Basin funds comprising less than 10% of the overall project, a ratio of 9:1, match to grant.

² 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.

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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 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).
- 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.
- 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.

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).
- 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.

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.

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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.

The conservation easement proposed here contains 0.65 miles of the upper Lake Fork of the Gunnison River, and 2,175 linear feet of the shoreline of Lake San Cristobal, surrounded by 79 acres of diverse riparian and wetland communities. This vegetation mosaic is of high functional value and provides important habitat to a variety of non-game wildlife species. It is home to a thriving population of Northern Leopard Frog, which is designated as a Species of Special Concern by the Colorado Division of Parks and Wildlife. The wetlands are sustained by natural stream flows and by management of lake surface elevation levels, and therefore no additional source of water is needed for the success of this project.

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

Plans are currently underway to construct a water control structure at the outlet of Lake San Cristobal. The purpose of the structure is to retain and regulate discharges from Lake San Cristobal to augment municipal wells for the Town of Lake City, whose wells are subject to curtailment by senior downstream water users. This project aims to control the top three feet of water currently in the lake, from 8,992 to 8,995 feet above sea level, without raising existing lake levels.

Lake levels have been managed off and on since the early 1900's. A wood retention structure was built in the 1950's but now all that remains is the cribbing, which regulates base elevation of the lake at 8,992 feet above sea level. For the past 20 to 30 years, Hinsdale County has annually placed rocks in the outlet on top of this cribbing after high flow to maintain a maximum lake level of approximately 8,995 feet, and has removed the rocks prior to winter snow fall. As a result, any changes to the inlet wetlands have already occurred, compared to periods in the past when lake levels were historically lower. According to the project documents and the wetland delineation report, the outlet retention structure will have minimal impact on the inlet wetlands as they currently are, maintaining the same lake levels that have been seen for the past few decades and that reflect the natural lake level water right held by the Colorado Water Conservation Board.

Conversations with staff from the Colorado Division of Parks and Wildlife indicate that the wetlands as they are today have adapted to these new water levels and are functioning well. Lake San Cristobal will still function ecologically as a lake rather than a reservoir, despite the presence of the structure. To ensure this, the US Army Corps of Engineers permit requires baseline and continuous post construction wetland monitoring at the inlet. Pre-construction assessments were required to document the functional condition of several wetlands around the shoreline of Lake San Cristobal. The wetlands to be protected by this project scored a 5.8 on a scale of 6 for wetlands function (between High and Very High), a higher rating than any other wetlands surveyed in the area.

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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.

(See Attached)

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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, summaries of meetings and engineering reports/designs.

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.

ATTACHMENTS

Project Maps

Project Photographs

Statement of Work (including project budget and timeline)

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

Signature of Applicant:



Print Applicant's Name: Dieter Erdmann

Project Title: Lake San Cristobal Inlet Preservation and Fishing Access Project

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
gregory.johnson@state.co.us

Lake San Cristobal Inlet Preservation and Fishing Access Project

Hinsdale County, Colorado

Area Map



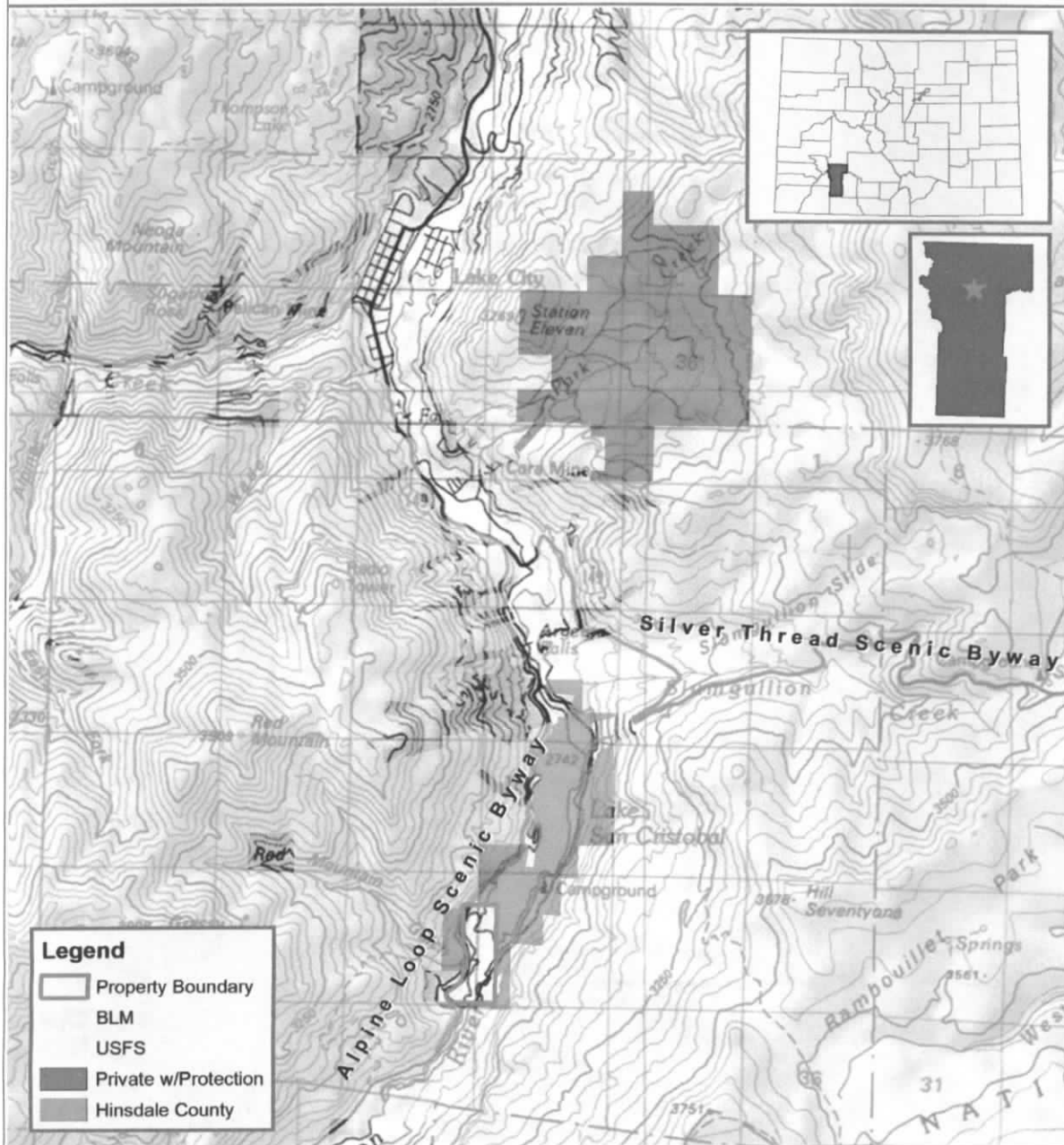
Data Sources: Colorado Open Lands,
Colorado Ownership Management and Protection (COMaPv8)
USA Topo Maps - USGS

This map is not a survey and must not be construed as one.

Created by Colorado Open Lands, March 2012



0 0.4 0.8 1.6 Miles



Project Photos



View of the Lake San Cristobal Inlet property from Slumgullion Pass.



An immature moose basks in the wetlands on the Lake San Cristobal Inlet property.

Lake San Cristobal Inlet Preservation and Fishing Access Project

Hinsdale County, Colorado

Site Map

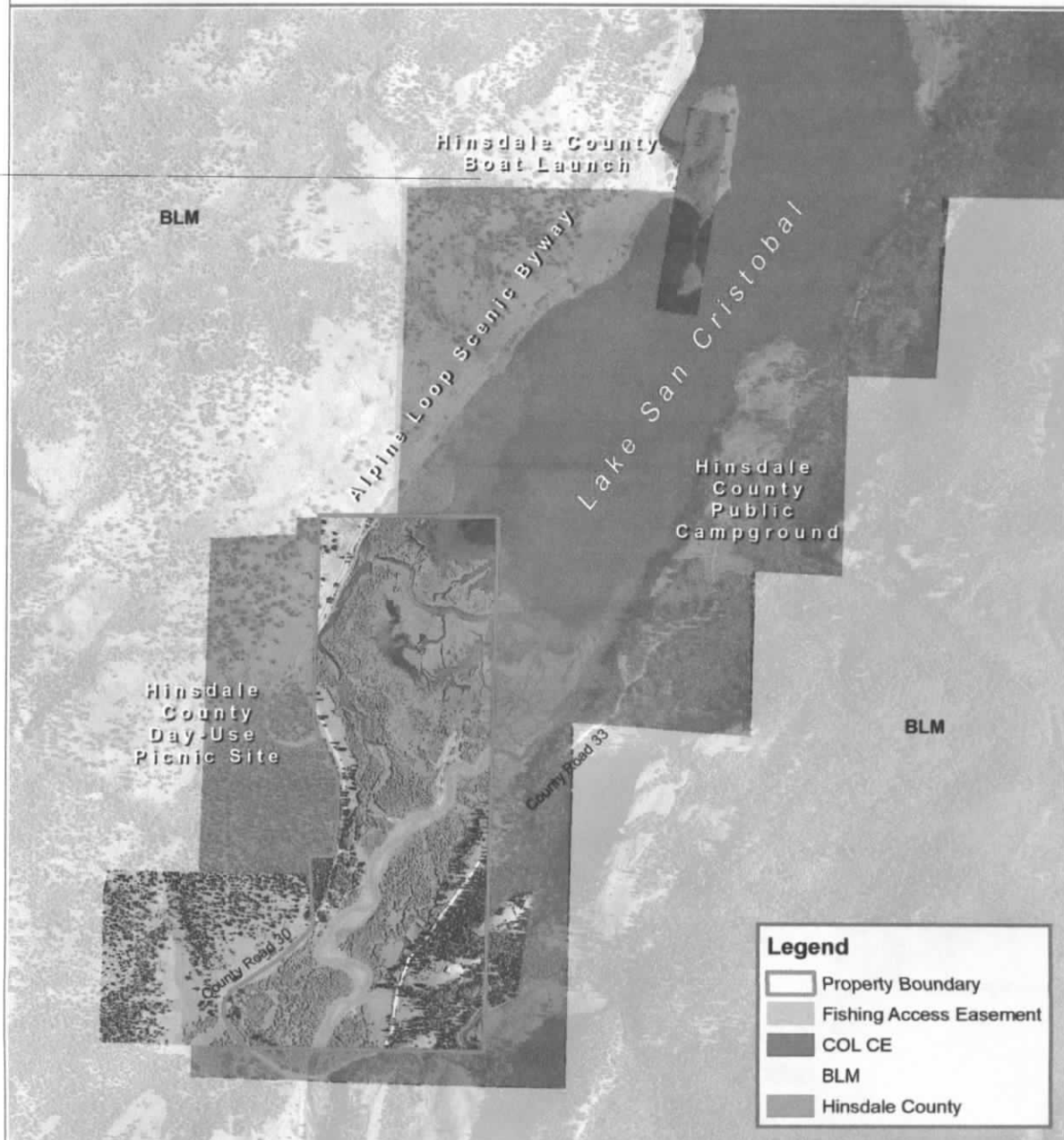


Data Sources: Colorado Open Lands,
Colorado Ownership Management and Protection (COMaPv8)
This map is not a survey and must not be construed as one.

Created by Colorado Open Lands, March 2012



0 0.05 0.1 0.2 Miles



Project Photos



A view of the Lake San Cristobal Inlet property from the Hinsdale County public campground.



More than $\frac{1}{2}$ of a mile of the Lake Fork of the Gunnison will be permanently accessible for public angling.

Statement of Work

GRANTEE and FISCAL AGENT - Colorado Open Lands

PROJECT NAME – Lake San Cristobal Inlet

GRANT AMOUNT – \$167,000

INTRODUCTION AND BACKGROUND

Located approximately three miles south of Lake City in Hinsdale County, Lake San Cristobal is the second largest natural lake in the state of Colorado. The 320-acre lake and the majority of the surrounding lands are owned by Hinsdale County and the Bureau of Land Management, and Lake San Cristobal is a popular destination for fishing, boating, and camping. Hinsdale County manages several public sites on the Lake including a campground, a day-use picnic area, and a boat launch.

At the southern end of Lake San Cristobal is an expansive wetland delta formed by the Lake Fork of the Gunnison River as it empties into the lake. The delta is comprised of a complex of historic channels, remnant beaver dams, patches of open water, and diverse and largely intact montane wetlands, which all provide important habitat for a diverse array of wildlife species and provide critical water quality functions such as flood control and sediment filtration. The majority of this delta is privately owned (referred to herein as the Lake San Cristobal Inlet property).

The 116-acre Lake San Cristobal Inlet property contains approximately 79 acres of wetlands and 0.65 miles of the Lake Fork of the Gunnison River. The Inlet property is completely surrounded by County and BLM land and is the only significant piece of private property at the south end of the Lake. The landowners have historically allowed the public to access the Lake Fork of the Gunnison River on the property for fishing through a handshake agreement with the Colorado Parks and Wildlife's District Wildlife Manager. The property is minimally signed and is not marked as open to the public, but still receives significant use.

OBJECTIVES

The objective of the project is to protect the property from future development and inappropriate land management that could jeopardize its recreational, wildlife, and scenic characteristics, and to guarantee permanent public access to the Lake Fork of the Gunnison River for fly fishing. Many of the characteristics that make the property a high priority for conservation also align closely with the Gunnison Basin Roundtable's Non-consumptive Needs Assessment. The Needs Assessment identifies Lake San Cristobal a "Major Recreational Segment" due to its "Highest Recreation and Fishery" attributes. This project ensures the protection of or directly enhances nearly all of the attributes identified in the Needs Assessment for Lake San Cristobal. In addition, the project meets the Gunnison Basin Roundtable objective of "Preserving Open Space" in a highly sensitive scenic landscape. Using funding from Great Outdoors Colorado, Colorado Parks and Wildlife's "Fishing is Fun" program, and the Gunnison Basin Roundtable, Colorado Open Lands will negotiate and bargain purchase a conservation easement and

permanent access agreement from the landowners to ensure that the property's conservation values are preserved and protected in perpetuity.

TASKS

TASK 1 – Prepare Conservation Easement and Access Agreement

Description of Task

Colorado Open Lands (COL) will work with the landowner, Great Outdoors Colorado (GOCO), the Colorado Water Conservation Board (CWCB), and the Division of Parks and Wildlife (DPW) to negotiate two separate agreements, a perpetual conservation easement and a perpetual access agreement. Most, if not all, of the general parameters of these agreements have been pre-negotiated with the landowner as a result of multiple grant applications, however, these documents will need to be reviewed by agency staff, the landowner's attorney, and COL's attorney.

Method/Procedure

Iterative process beginning with standard forms including required language from all funding agencies involved.

Deliverable

A nearly final conservation easement document and access agreement in a form such that these can be included in purchase contracts. These documents will need to be reviewed by agency staff, the landowner's attorney, and COL's attorney

TASK 2 – Enter into Purchase Contracts

Description of Task

COL will work with the landowner and the DPW to negotiate purchase contracts for the conservation easement and the access agreement.

Method/Procedure

Iterative process beginning with standard forms including required language from all funding agencies involved.

Deliverable

Executed purchase contracts that establish a purchase amount, dictate a due diligence and inspection period, closing date, and form of documents to be executed at closing.

TASK 3 – Due Diligence Review and Funder Approval

Description of Task

COL will work with landowner to prepare and review due diligence to ensure a sound transaction. COL will submit due diligence to GOCO, CWCB, and CPW within required timelines to gain approval for closing.

Method/Procedure

Minerals assessment and phase I environmental assessment have been completed. COL and landowner will update title commitment and contract with appraiser to complete valuation of property interests. Lake Fork Valley Conservancy will complete baseline report.

Deliverable

Project documentation consistent with IRS guidelines, industry standards, and funder guidelines. Approval for closing from funders.

TASK 4 – Closing

Description of Task

Once funders have reviewed due diligence, funding will be wired to title company escrow account and closing can proceed. Limited signage will be developed to acknowledge project partners and help manage public access.

Method/Procedure

Closing will be conducted by title company as a typical real estate transaction.

Deliverable

Recorded documents, installation of limited signage.

PROJECT TIMELINE

<i>Task ↓</i>	<i>Date →</i>	Jan – March 2013	March – May 2013	May - July 2013	July – Sept 2014	Already Complete (Completion Date)
Prepare Conservation Easement, Access Easement						
Obtain Environmental Assessment						February, 2012
Obtain Geologist's Mineral Assessment						February, 2012
Enter into Purchase Contract						
Obtain updated Title Commitment and referenced documents						
Complete Final Appraisal						
Complete Baseline Inventory Report						
Conduct Closing						

PROJECT BUDGET

Lake San Cristobal Inlet Preservation and Fishing Access Project Proposed Budget

PROJECT COST

	GOCO	Fishing is Fun	Gunnison Basin Roundtable	Lake Fork Valley Cons.	COL	Landowner	Total
Cash							
Easement and Access Acquisition	700,000	133,000	167,000				1,000,000
Appraisal						11,000	11,000
Closing Costs						4,500	4,500
Environmental Assessment						2,750	2,750
Geologist's Remoteness Letter						1,800	1,800
Legal Services (COL)					7,000		7,000
Stewardship Endowment						20,000	20,000
In-Kind							
Baseline Documentation				3,800			3,800
TOTALS	700,000	133,000	167,000	3,800	7,000	40,050	1,050,850

PROJECT VALUE

Total Uses of Funds							1,050,850
Donated Land Value							800,000
Project Value							1,850,850