



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:

\$150,300

Amount from Basin Account(s):

\$16,700

Total WSRA Funds Requested:

\$167,000

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

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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)

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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.

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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:	Camille Richard	Position/Title:	Project Director
	Email:	c.richard@lfvc.org		
	Phone Numbers:	Cell:	Office:	970-209-5238

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.

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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.

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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)

<input checked="" type="checkbox"/>	Nonconsumptive (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:

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)

<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 Nonconsumptive (acre-feet)
<input type="text"/>	Existing Storage Preserved or Enhanced (acre-feet)
3 , 430	Length of Stream Restored or Protected (linear feet)
<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)
116	Area of Restored or Preserved Habitat (acres)
2 , 175	Other -- Explain:

Shoreline protected (linear feet)

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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. Protection of these unique wetlands also compliments on-going storage augmentation at the Lake San Cristobal outlet.

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 environmental and recreational 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 a 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 directly 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 the Lake Fork of the Gunnison River, as well as maintaining the storage capacity of Lake San Cristobal.

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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 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 and Statewide Account investment of \$167,000 would be leveraged in excess of 9:1.

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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. This project will not be implemented in any way that would diminish, impair, or cause injury to any existing water right.

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.

Please see the attached letter from Gunnison Basin Roundtable in support of this application.

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 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 indicated in the budget included in the Statement of Work, this request is for \$167,000. As proposed, \$16,700 (10%) would come from the Gunnison Basin Roundtable WSRA and \$150,300 from the Statewide WSRA. The 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 WSRA 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).**

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 environmental and recreational attributes identified in the Needs Assessment for Lake San Cristobal including:

- Protection of Significant Riparian/Wetland Plant Communities
- Aquatic Dependent State Species of Concern
- Special Value Waters, Natural Lake Levels
- Riparian/Wetland Wildlife Viewing
- Flat Water Boating, Significant Cold Water Fishing, High Recreation Lakes and Reservoirs

In addition, the project meets the **Gunnison Basin Roundtable objective** of “Preserving Open Space” in a highly sensitive scenic landscape.

Although the project does not directly address consumptive needs, protection of the wetlands at Lake San Cristobal directly benefit water augmentation efforts underway at the Lake San Cristobal outlet. Protection of these wetlands will ensure their continuing ability to trap sediment during periods of high flow, translating to improved water quality and maintenance of the storage capacity of Lake San Cristobal.

- 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.**

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The project is a result of collaboration among numerous and diverse entities: the private landowners, Colorado Open Lands, the Lake Fork Valley Conservancy, and Trout Unlimited. Written support for the project has been provided by the Hinsdale Board of County Commissioners, the Trustees of the Town of Lake City, The Lake City/ Hinsdale County Chamber of Commerce, the Hinsdale County School District Re-1, the Bureau of Land Management, and the Lake City Downtown Improvement and Rehabilitation Team. As explained elsewhere, both the Board of the Great Outdoors Colorado Trust Fund and Colorado Parks and Wildlife have made substantial financial commitments to the project.

Protection of the Lake San Cristobal Inlet property directly benefits the thousands of recreationists who travel the Alpine Loop and Silver Thread Byways and that recreate on and around Lake San Cristobal by protecting scenic vistas and wildlife and ensuring public access in perpetuity. Approximately 300,000 visitors per year travel the Alpine Loop, with more than 90% of this use occurring during the short, but busy, summer season. Visitors drawn to the scenic and recreational resources of Lake San Cristobal and the scenic byways 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.

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.

As discussed in a., above, the project addresses a suite of attributes associated with Lake San Cristobal's value as a "Major Recreational Segment" as outlined in the Gunnison Basin's Non-Consumptive Needs Assessment. In addition, the project addresses the following SWSI 2010 recommendations:

Recommendation #2. Identify and utilize existing and new funding opportunities to assist in implementing projects and methods to meet Colorado's consumptive and nonconsumptive water supply needs.

One of the primary findings of SWSI 2004 was that "solutions for addressing 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 financially." In this situation, the project partners have been able to raise approximately 90% of the funding needed to complete a project with substantial non-consumptive impacts, demonstrating that it is possible to leverage WSRA funding for projects of this purpose.

Recommendation #5. Support Colorado's nonconsumptive water needs by working with Colorado's water stakeholders to help:

- *Protect or enhance environmental and recreational values that benefit local and statewide economies.*

The project will protect recreational values associated with the use of Lake San Cristobal, and the Alpine Loop and Silver Thread Scenic Byways. It will also ensure permanent public access to .65 miles of the Lake Fork of the Gunnison River for fly fishing.

- *Encourage multi-purpose projects that benefit both water users and native species.*

Protected wetlands will both benefit native species and continue to filter sediment during high flows, maintaining water quality and the storage capacity of Lake San Cristobal.

- *Pursue projects and other strategies, including CWCB's Instream Flow Program, that benefit consumptive water users, the riparian and aquatic environments, and stream recreation.*

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See above.

Additionally, SWSI 2004 states that “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 protection of the Lake San Cristobal Inlet property will preserve a keystone located in a matrix that is composed primarily of protected public land. Hinsdale County owns 453 acres in the vicinity of the property that comprises the majority of the 350-acre Lake San Cristobal and its shoreline.

Hinsdale County’s ownership is protected by a Conservation Covenant that was enacted by the Board of County Commissioners in 1997 following a successful recall election of the previous Board over a proposal to site a casino on county-owned land on the shores of Lake San Cristobal. The Conservation Covenant (which does not restrict the Lake San Cristobal Inlet property) was enacted to ensure that “Lake San Cristobal’s natural elements and its ecological and aesthetic values be preserved...” and that “...unnecessary and irreversible conversion of recreational lands and lakes to non-recreational, non-conservational, and private commercial uses...” be minimized. The Conservation Covenant restricts acts and uses of Hinsdale County’s property. Termination of the Conservation Covenant must be approved by a majority of Hinsdale County residents.

Hinsdale County’s ownership is encircled in large part by public lands managed by the Bureau of Land Management. The BLM land is part of the Alpine Triangle, a Special Recreation Management Area comprising over 186,000 acres. A Special Recreation Management Area is recognized as a landscape with outstanding natural values and recreational opportunities and where the BLM will spend extra time, effort and funding on managing these outstanding resources.

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).**

The urgency of this project is two-fold, and funding from the WSRA account will be the final piece of the puzzle that will allow the acquisition of the conservation easement and access agreement to move forward.

First, the landowner has had ongoing conversations with Lake Fork Valley Conservancy since 1998 regarding the permanent protection of the property, which have recently increased in urgency. The 96 year-old owner of the property desires to maintain this property in its natural condition. With her passing, her three children will inherit the property, one of whom is not interested in maintaining ownership. The high market value of the property presents a challenge to the two beneficiaries that wish to continue the family ownership, because they will be forced to buy out the third. The owner of the property has the authority to execute the conservation easement and bequeath the compensation to the

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beneficiary who wants out. This outcome is guaranteed only if the conservation easement is completed prior to her death.

Second, the under the restrictions of the awards made by GOCO and CPW this project must be completed by Dec 13, 2013. If we are not able to secure the remaining funding for the project, the partnership will lose both the Great Outdoors Colorado and Colorado Parks and Wildlife grants.

- 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 previously mentioned, out of a total project estimate of \$1,800,000, the landowner will donate at least \$800,000 in land value. The purchase price for the conservation and access easement will be \$1,000,000 of which GOCO has awarded \$700,000 and CPW's Fishing is Fun Grant Program has awarded \$133,000. A WSRA investment of \$167,000 would be leveraged in excess of 9:1.

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.

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 and the Silver Thread Scenic Byway as it traverses Slumgullion Pass. The property provides prime wildlife viewing opportunities for travelers on the Alpine Loop Scenic Byway. Moose, deer, elk, waterfowl, and bald eagle are commonly spotted on the property.

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. 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.

The conservation easement and permanent public access agreement will ensure the protection of these critical natural and recreational resources.

- 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.

Does not apply.

- h. The water activity assists in the recovery of threatened and endangered wildlife species or Colorado State species of concern.

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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 documented the presence of a thriving population of Northern Leopard Frog at this site, which is designated as a Species of Special Concern by the Colorado Division of Parks and Wildlife. The Colorado Natural Areas Program has also nominated the site for recognition as a Colorado Natural Area.

- i. The water activity provides a high level of benefit to Colorado in relationship to the amount of funds requested.

Project partners are providing 9:1 match to requested WSRA funds. The benefits of the project are explained in detail throughout this application.

- j. The water activity is complimentary to or assists in the implementation of other CWCB programs.

The purpose of this project is consistent with other CWCB programs that seek to maintain or improve environmental and water quality, including the Colorado Healthy Rivers Fund grant program and the Colorado Healthy Watershed grant program.

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 CPW. 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.

CWCB has a natural lake level water right for Lake San Cristobal, but has relinquished the upper 3 feet to the Lake San Cristobal Water Enterprise Committee to be controlled by a water retention structure at the outlet for purposes of augmentation, which is currently under construction. This project is not expected to impact these water rights. In fact, it is expected to compliment them by protecting wetland hydrological values at the inlet.

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

A water control structure at the outlet of Lake San Cristobal is currently under construction. 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.

Water Supply Reserve Account – Application Form

Revised December 2011

Lake levels have been managed off and on since the early 1900's. A wood retention structure was built in the 1950's but all that remained was the cribbing prior to the construction of the above dam, which regulated 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 CPW staff 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.

In addition, the Colorado Natural Areas Program has conducted site surveys, both in the late 1990's and in the summer of 2011, to determine suitability for inclusion of this site in their Natural Areas network. It is now recommended for designation.

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)

Water Supply Reserve Account – Application Form

Revised December 2011

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)

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: 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



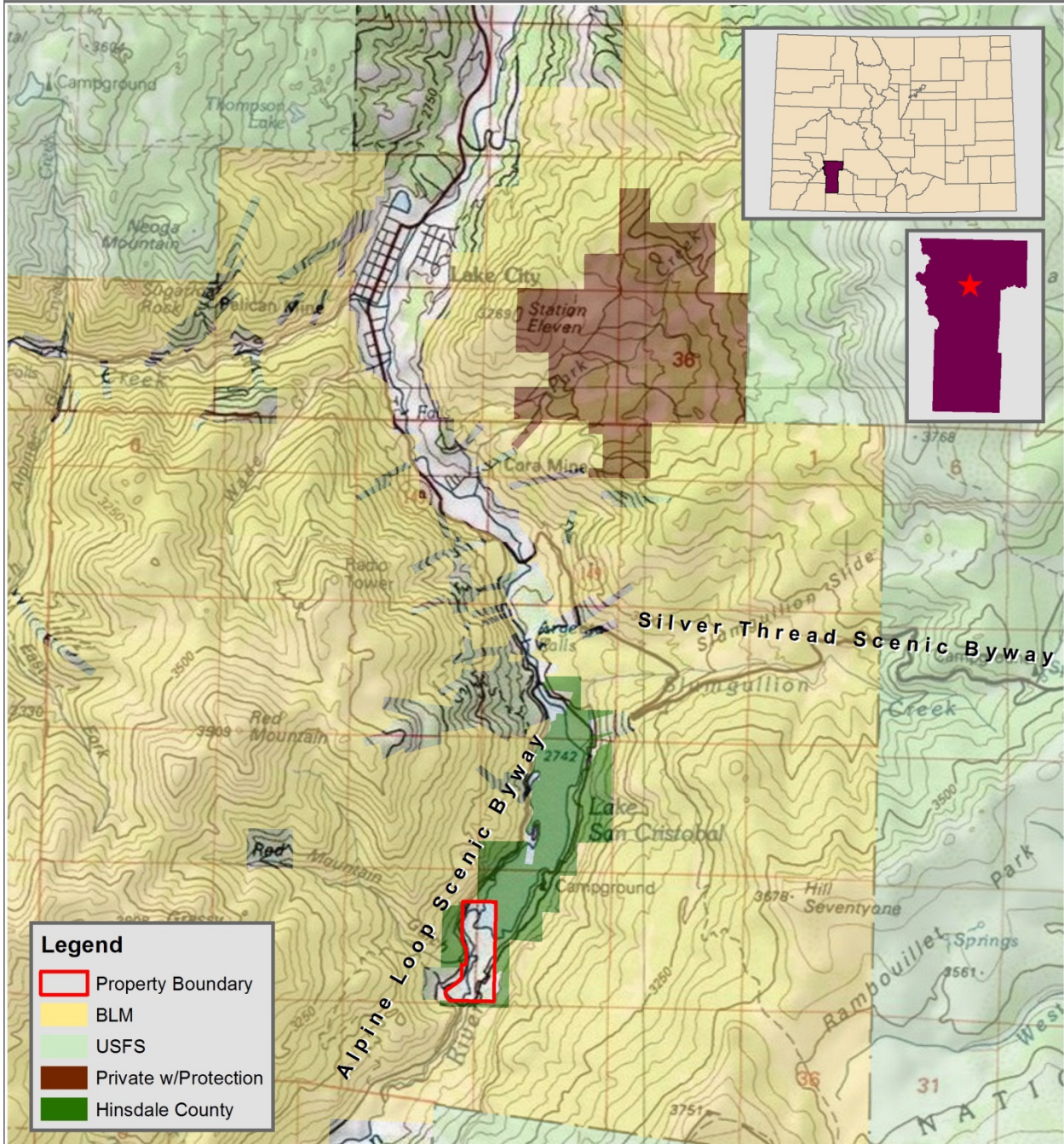
Created by Colorado Open Lands. March 2012

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.



0 0.4 0.8 1.6 Miles



Lake San Cristobal Inlet Preservation and Fishing Access Project
Hinsdale County, Colorado
Site Map

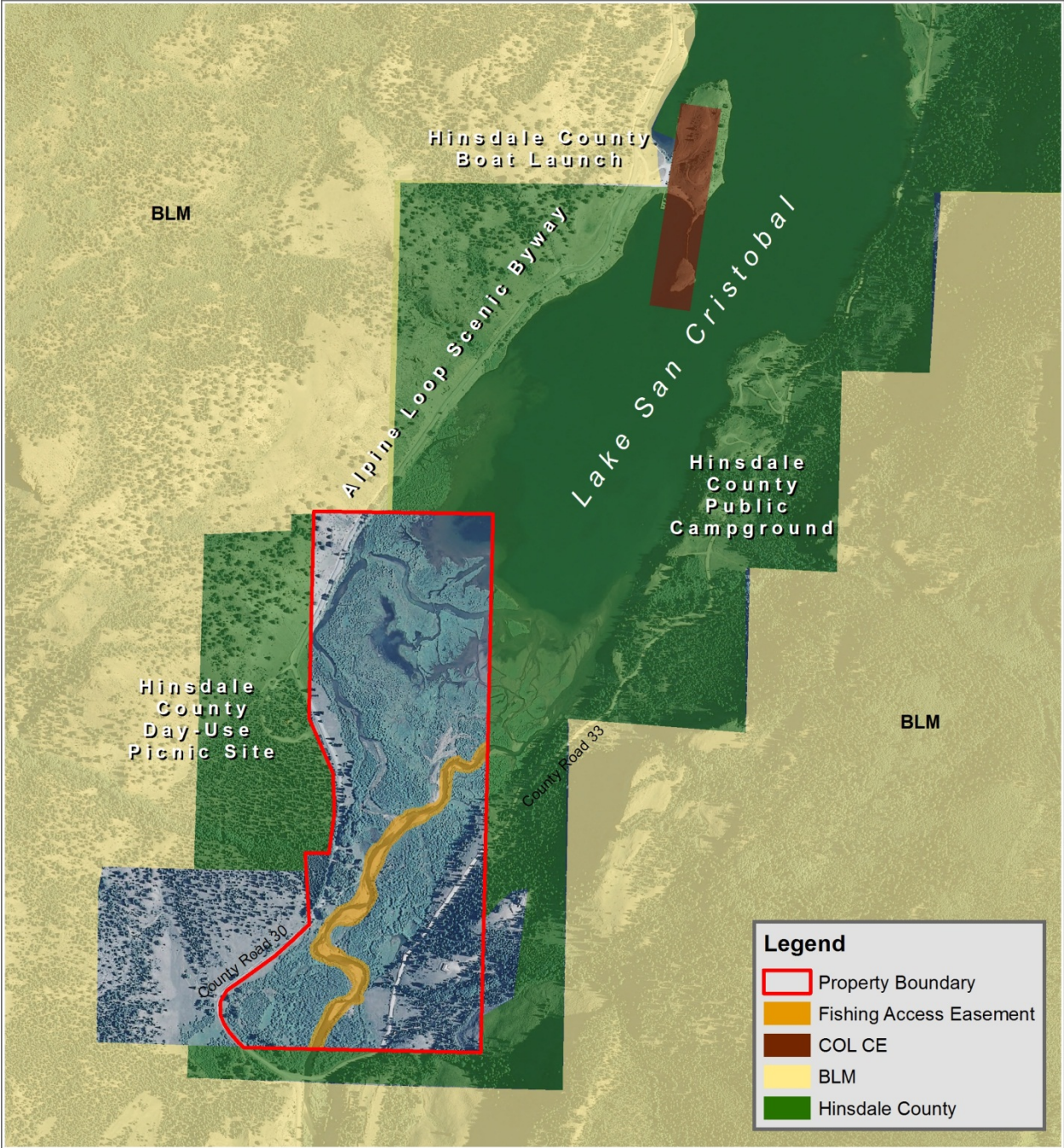


Created by Colorado Open Lands. March 2012

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



0 0.05 0.1 0.2 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.

Project Photos



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



More than ½ 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 WSRA	Statewide WSRA	Lake Fork Valley Cons.	COL	Landowner	Total
Cash								
Easement and Access Acquisition	700,000	133,000	16,700	150,300				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	16,700	150,300	3,800	7,000	40,050	1,050,850

PROJECT VALUE							
Total Uses of Funds							1,050,850
Donated Land Value							800,000
<i>Project Value</i>							1,850,850