



COLORADO WATER CONSERVATION BOARD



WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Rehabilitation and Ditch Lining

Name of Water Activity/Project

Acequia del Cerro

Name of Applicant

Rio Grande Basin

Amount from Statewide Account:

\$0

Amount from Basin Account(s):

\$100,000

Total WSRA Funds Requested:

\$100,000

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):	La Acequia del Cerro		
	Mailing address:	P. O. 67 Chama, Colorado 81126		
	Taxpayer ID#:	84-1441160		
	Primary Contact:	Joseph Lobato	Position/Title:	President
	Email:	Joseph-lobato@yahoo.com		
	Phone Numbers:	Cell: 719-588-9443	Office:	
	Alternate Contact:	Diana R. Cortez	Position/Title:	Consultant
	Email:	dcortez36@gmail.com		
	Phone Numbers:	Cell: 719-588-2916	Office:	

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

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

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3. Provide a brief description of your organization

The Acequia del Cerro is approximately 5 miles of earthen ditch and 5 miles of concrete ditch, going from Chama, Co to La Vega Commons in San Luis. It is the longest and most complex irrigation system in southern Costilla County. The Ditch Co. has two main channels, the northern Cerro and the southern Cerro. The northern Cerro starts at the main head gate off the Culebra Creek and runs approximately 1,900 linear ft where it separates into the second channel that runs southwest. It has approximately 60 lateral ditches with diversion gates. It is entitled to priority No. seven in Colorado, operating under Water District 24 of Division 3. The Cerro Ditch was established November 30, 1857 and holds 44 adjudicated water rights granted by a court decree in Colorado, dating June 14, 1889. The Cerro serves 82 landowners and irrigates approximately 1880 acres that are considered primary acres of hay, grass, other row crops and vegetable gardens. The majority of landholders are descendants of the original founders of the "acequia" system dating back to the mid-1800. La Acequia del Cerro was first incorporated in 1968 and the company's 82 landowners' assessments are \$4.25 per acre. Assessments are used to pay the salary of one fulltime ditch-rider with the remainder used for maintenance and operation. La Acequia del Cerro Board seats are held by the landowners. La Acequia del Cerro Board of Directors will be taking fiscal responsibility and administrative lead of this project.

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

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.

4. 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. **Tabor does not apply**

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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.

The sustainability of the Rio Culebra Agricultural Co-op and local farming methods that include heirloom seed products and organic grass and hay for cattle feed, may serve as a model for other parts of the state where irrigation water is either insufficient due to the drought conditions or to low efficiency of water use. With the rehabilitation of the Acequia del Cerro, which will provide a managed distribution, timed controlled and monitored water and irrigation system, the landowners feel that crop production will increase even in years of drought. The area associated with the Project will essentially remain as it is now, providing wildlife habitat and a scenic landscape for visitors to this historic area of Colorado that demonstrates how the early Hispanic settlers of the area farmed and irrigated their lands.

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:

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

Latitude:

37,196

Longitude:

105,403

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

The Acequia del Cerro (“the Ditch” is used interchangeably in this document) plans to rehabilitate approximately 16,900 linear feet of the Northern Cerro Ditch by removing extensive overgrowth of willows/trees and repair the bank, widen and replace 1,900 linear feet of concrete lining and 15,000 linear feet with high-density plastic pipe. In the following description of the Acequia del Cerro, references will be made to the items planned for rehabilitation.

The Ditch takes water from the Culebra Creek into the concrete canal. The existing concrete lining of the ditch was constructed in the mid 1960’s. The Culebra Creek diversion is in good condition and is not planned for replacement. The rehabilitation will begin at the measuring flume approximately 20 ft from the main head gate and replace 1,900 linear feet of concrete lining. In some areas the landowners have completely removed the concrete lining to bring better water flow. In addition, excess water from cloud bursts and run off in areas between the Northern Ditch and the arroyos from the mesa, flows into the Ditch. This brings large rocks, sand and debris into the ditch which clogs diversion structures slows down water flow and has raised the concrete bottom in portions of the Ditch. The Northern Ditch has historically acted as an area catchment and drain, with the corresponding high sediment loads. The Acequia del Cerro plans to resolve this problem by digging a new structure alongside the existing ditch and placing 15,000 linear feet of high-density pipe into the new structure. The old concrete ditch will be cleaned and maintained and will be used to catch the sediment loads from the runoff, without affecting the water flow, ecosystem or riparian habitat. This will also not affect the Southern Cerro Ditch which is the original heritage ditch of the Acequia del Cerro system. (see Exhibit C).

The \$100,000 WSRA fund request in this application to the Rio Grande Basin Round Table will be used to match a total of \$1,139,918 from other sources that include \$24,000 from the landowners to date who will contribute an additional **\$36,000** of in-kind contribution for a total of **\$60,000**. In addition the Acequia del Cerro has received a commitment of **\$60,000** cash match from the Costilla County Conservancy District. (See Letter from Conservancy District). The NRCS will also contribute a total of \$45,000 in technical assistance and **\$200,000** from EQIP towards project costs. The Acequia del Cerro has also been selected to receive Targeted Conservation Funds of over **\$774,918**.

The \$100,000 WSRA fund request in this application has been ear-marked to cover costs in **Task 2, 2a and 2b** in the **Scope of Work** which is the 1,900 linear ft of concrete lining of a portion of the ditch. The ditch has a profile of a 4' bottom, 2.5' depth, 1.25:1 side slopes. The NRCS has provided \$33,000 towards Task 2 with the total Project cost of **\$138,510**. The remaining **\$5,510** costs will come from the In-kind/cash match. The cost is based on a bid of 1,900 feet of ditch x \$72.90 per linear ft = **\$138,510**.

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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.)

- The Acequia del Cerro proposes an eligible water activity as identified in Senate Bill 06-179 involving stabilization and structural replacement of the Acequia del Cerro
- The Acequia del Cerro is an eligible entity that is a mutual nonprofit ditch company classified under the U.S. tax code, section 501(c)(12)
- The Acequia del Cerro is requesting funds from the Rio Grande Basin Water Supply Reserve Account and is complying with all application, submission, review, and approval deadlines and procedures.

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

- The proposal is eligible for funding under Senate Bill 06-179 because: (1) it is being submitted for approval to the Rio Grande Interbasin Roundtable pursuant to article 75 of title 37, C.R.S. (2) it meets the eligibility categories described below; and (3) this proposal is submitted for approval by the Rio Grande Interbasin Roundtable in conformity to criteria and guidelines jointly developed by the IBCC and CWCB.
- The water activity is consistent with Section 37-75-102 C.R.S. because this project repairs and upgrades existing channel courses that have actively been in use for 200 years. This project does not supercede, abrogate, or otherwise impair the State's current system of allocating water within Colorado nor does it in any manner repeal or amend the existing water rights adjudication system. This project does not affect the State Constitution's recognition of water rights as a private usufructuary property right nor is it 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.
- By repairing, restoring, replacing and stabilizing the Acequia del Cerro Ditch any water loss is mitigated and water is conserved for the farmers along the Cerro Ditch. This in turn addresses its shortfall in water need for consumptive use for irrigation in the Rio Grande Basin

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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b) The water activity underwent an evaluation and approval process and was approved by the Rio Grande Basin Roundtable (RGRT). The application includes a description of the results of the RGRT'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.

See the letter from the Chair of the Rio Grande Basin Roundtable

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.

- The activities proposed for by the Acequia del Cerro meets provisions of Section 37-75-104(2), C.R.S. by actively seeking the input and advise of all affected county, and municipal governments which include the Costilla County Commissioners, the Culebra Conservancy District, the Sangre de Cristo Acequia Association, the Office of Natural Resource Conservation Services and the local water Commissioner. All landowners on the acequia system are aware of the problems along the Acequia del Cerro and are anticipating that with this funding the rehabilitation and repair project can be completed by the summer of 2014. Due to the age of the ditch in question, there is no other resolution but to rehabilitate the ditch banks and line the ditch itself. The Acequia del Cerro landowners are committed to taking the lead in removing the old concrete and installing new core and diversion structures and technologies which combined will solve flooding into non-productive area, control water loss and provide water to all farmers taking water from the Culebra watershed.

c) 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)

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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The Acequia del Cerro landowners have contracted service and begun cleaning the banks and removing the old concrete. To date, they have contributed approximately \$24,000. The members of the Acequia del Cerro have committed to an additional \$36,000 to prepare the easement for the construction of the new structures. In addition **The Costilla Conservancy District has committed to matching funds for the project in the amount of \$60,000.** (see attachments, letters of support).

FUNDING FOR THE PROJECT

Total Project Cost	\$1,239,918	
<u>Less – In-Kind and Cash Match</u>	<u>\$1,139,918</u>	
WSRA Amount Requested	\$ 100,000	(Rio Grande Basin - \$100,000)

(The Acequia del Cerro is requesting these funds to meet the costs of 1,900 linear ft of concrete lining starting 20 ft from the main head gate to the diversion structures for the North and South channels. In addition, the following in-kind and cash match has been fully secured by the Acequia del Cerro to rehabilitate the remaining 15,000 linear ft of Northern ditch with pipeline).

Costilla County Conservancy Dist. (Cash Match)	\$ 60,000
NRCS (EQIP Pay)	\$200,000
Acequia del Cerro (In-Kind)	\$ 60,000
NRCS Technical Assistance	\$ 45,000
NRCS Targeted Conservation Funds	<u>\$774,918</u>
 Total In-Kind & Cash Match (Project Cost)	 \$1,139,918

The Targeted Conservation Funds were acquired through a competitive application process which was submitted after the Colorado Water Conservation turned down the grant submitted to them. The Acequia del Cerro's application was one out of 25 applicants selected and ranked the highest in the Rio Grande Watershed Association. *"The targeted conservation effort accomplishes two objectives First it invigorates the locally led process through the conservation districts and encourages them to actively address local resource concerns "secondly, by focusing the financial and technical assistance dollars, there is a larger cumulative impact on the project area, which is also more efficient and effective. The emphasis for these projects is on obtaining tangible resource benefits."* We feel incredible grateful that the USDA recognized the need for rehabilitating the Acequia del Cerro.

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

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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).**

Traditionally, the Acequia del Cerro landowners have done farming and irrigation as their forefathers have done for 200 years in this area. This Application has provided them with the opportunity to request funding from third parties. This is helping them overcome their reluctance in asking for assistance. It also provides them with an opportunity in farming marketable products that will help supplement their income by selling their products through the Rio Culebra Agricultural Cooperative. It will provide the incentive to join the Co-op's "initiative" in planting and sowing products grown from heirloom seeds and organic vegetables, cattle and horse feed.

- 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.**

The application process has brought landowners together to make important decisions as a group with a common interest. The meetings held for this purpose have been attended by approximately 60% of the Acequia del Cerro's membership. The interests shared are not only for the right to have the Acequia del Cerro water decrees fulfilled but also for the protection of wildlife that inhabit areas along the ditch. As mentioned earlier, the Acequia del Cerro has two channels used for irrigation. The HDPE pipeline will be replacing the northern ditch to assure proper water control, eliminate water loss and provide irrigation water to **all** landowners. The existing ditch will continue to be maintained by the landowners as a catchment for runoff and sediment from the foothills that have historically filled the ditch with large rocks and debris. With this plan, the ecosystem and habitat remain intact. The descendants and current heirs of the Acequia del Cerro are historically a self sustaining community due to their skills in irrigation, hunting and farming within an "Acequia System". **The Acequia del Cerro as with all ditch companies taking water from the Culebra Watershed does not participate in the Rio Grande Compact.**

The water activity helps implement projects and processes identified as helping meet Colorado's future water needs, and addresses the gap areas between available water supply and future need as identified in SWSI or in the Roundtable's basin-wide water needs assessment.

Tier 2: Facilitating Water Activity Implementation

- c. 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).**

WSRA funding will make a significant difference in implementing the Project and these funds of \$100,000 are being matched with over \$1,000,000 in monies and in-kind contributions. Costilla County is experiencing

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drought and in many cases, significant crop loss due to insufficient water from the Culebra Watershed. In addition to the drought, the landowners along the Acequia del Cerro are operating with a malfunctioning irrigation water system. With the implementation of this rehabilitation project, the Acequia del Cerro landowners will have a fully functioning irrigation system that will greatly reduce high sediment loads, promote cost effectiveness by minimizing maintenance, and provide increased operational flexibility. With the installation of the HPDE pipeline, the landowners will experience high flow capacity, elimination of bank erosion and sediment loading in the irrigation water and optimizing existing and future water supply needs for all landowners on the Culebra watershed.

d. 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.

The landowners along the Acequia del Cerro have within the past 12 months shown a significant and appropriate commitment by cleaning major overgrowth of willow, removal of concrete where water flow obstruction was serious and tree root removal along the northern ditch in preparation of the project. This has cost the landowners a total of **\$24,000** to date. The landowners will contribute an additional **\$36,000** of in-kind contribution for a total of **\$60,000**. In addition the Acequia del Cerro has received a commitment of **\$60,000** cash match from the Costilla County Conservancy District. (See Letter from Conservancy District). The NRCS will also contributed a total of \$45,000 in technical assistance and **\$200,000** from EQIP towards project costs. The Acequia del Cerro has also been selected to receive Targeted Conservation Funds of over **\$774,918**. The Acequia del Cerro will surpassed any cash match or in-kind contribution required by the CWCB.

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

a. The water activity helps sustain agriculture & open space, or meets environmental or recreational needs.

The proposed water activity is somewhat unique in its relationship to Statewide benefits. As seen in Exhibit C the distribution of the irrigation water is to small fields or varas that are owned and farmed by individual families. The lack of irrigation water, as a result of drought conditions, has been compounded by the lack of an equitable distribution of available irrigation water causing families to see reduce production of hay and crops and even in some cases temporarily abandoning their efforts to farm the land. With the Culebra Watershed not delivering the amount of water to meet all decreed water rights and poor to non-functioning irrigation systems, the farmers served by the Acequia del Cerro making 1,000 one ton bales of hay per cutting only made 300 tons in 2012. This reduction in production is very significant to the small farmer, as with hay selling for \$200.00 per ton this is a reduction in income of $(700 \text{ bales} \times \$200) = \$140,000 \div 82 =$ **\$1,707.32 per farmer**. For other crops that are produced by farmers on the Acequia del Cerro, the Rio Culebra Agricultural Co-op has been established as a mechanism for farmers to market their produce at premium prices. For crops that are produced by farmers on the Acequia del Cerro strong efforts are being made to create a local farmers market where vegetables can be sold. The ability of farmers in the area to marginally increase their income is significant when considered that this will occur in an area designated as one of Colorado's lowest incomes per capita.

The ability of the farmers to use their full allocation of irrigation water on their the land will allow production to increase at a time of reduced agricultural production in the San Luis Valley and Colorado, In 2012, and into the foreseeable future, the San Luis Valley saw some 40,000 acres taken out of production through the activities of Groundwater Management Sub-district # 1. The Project (water activity) will help in sustaining agriculture along the Acequia del Cerro, and consequently in Colorado at a time when there are significant pressures to reduce agricultural production. The sustainability of the Rio Culebra Agricultural Co-op and

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local farming methods that include heirloom seed products and organic grass and hay for cattle feed, may serve as a model for other parts of the state where irrigation water is either insufficient due to the drought conditions or to low efficiency of water use. The landowners feel that crop production will increase even in years of drought with the rehabilitation of the Acequia del Cerro, which will provide a controlled water and irrigation system. The area associated with the Project will essentially remain as it is now, providing wildlife habitat and a scenic landscape for visitors to this historic area of Colorado that demonstrates how the early Hispanic settlers of the area farmed and irrigated their lands.

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.

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

The use of the HPDE line and continuing the maintenance of the original concrete ditch and the earthen heritage ditch will ultimately leave the environment and ecosystem intact. In fact, this will protect the habitat of the Endangered South Western Will Flycatcher and other species protected under the Colorado Division of Wildlife. The system will continue to provide trees, willows and water to all wildlife in the area.

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

The water activity will provide benefit to Colorado in the amount of water that will be conserved with the implementation of this project. There are 82 landowners along the Acequia del Cerro. The conservation of water and consumptive water use not only brings benefit to the Cerro landowners but to all Culebra Watershed landowners. There are approximately 300 families that own adjudicated water rights from the Culebra Watershed. The oldest "Acequia" systems and first adjudicated water rights in Colorado are in the Culebra Watershed. Historically, the "acequia irrigation systems" in southern Colorado have been a self-sustaining systems.

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

The water activity being proposed provides maximum benefit for all farmers that get water from the Culebra Watershed by allowing control of water flow and meeting water decrees. The Culebra Watershed is also the feeder into the Sanchez Reservoir which will be implementing a \$2,000,000 rehabilitation project, a project partially funded by WSRA funds through the Rio Grande Basin Roundtable and the CWBC. The Acequia del Cerro project will compliment the Sanchez Reservoir project by supporting the efficient use of water on the Culebra Creek.

Continued: Explanation of how the water activity/project meets all applicable **Evaluation Criteria**.

Please attach additional pages as necessary.

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Part IV. – Required Supporting Material

Suggested Format for Scope of Work

- 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 right issues, and the name/location of water bodies affected by the water activity.**

The water source used by the applicant comes directly from the Culebra water shed and Culebra Creek. It is the most complex acequia system on the Culebra Water Shed. Below are the landowners, acreage they own and assessments. . It has approximately 60 lateral ditches with diversion gates. It is entitled to priority No. seven in Colorado, operating under Water District 24 of Division 3. The Cerro Ditch was established November 30, 1857 and holds 44 adjudicated water rights and is priority #11, granted by a court decree in Colorado, dating June 14, 1889. The Cerro serves 82 landowners and irrigates approximately 1880 acres.

Name	Acres	Assessments
1. Aguliar, Lee	11	\$46.75
2. Albert, Conrad	103	\$437.75
3. Albert, Larry	10	\$42.50
4. Alirid, Dominic	23	\$97.75
5. Aragon, Bernabe, Garza, Marcella	33	\$140.25
6. Aragon, Patricio	12	\$51.00
7. Aragon, Phil, Jesse	17	\$72.25
8. Arellano, Richard	1	\$4.25
9. Arellano, Joseph	2	\$8.50
10. Atencio, Anastacio/Joe Garcia	5	\$21.25
11. Atkins, Larry	20	\$85.00
12. Barela, Moses, Ernest	30	\$127.50
13. Barela, Ronnie, Elmer	73	\$310.25
14. Bennett, Ramirez Berlinda	7	\$29.75
15. Carpenter, Vigil, Costilla County	422	\$1,793.50
16. Casas, Antonio	12	\$51.00
17. Cordova, Theresa	1	\$4.25
18. DeHerrera, Rocky	4	\$17.00
19. Dominguez, Juanita	8	\$42.50
20. Espinoza, Elmer/Manuel	11	\$46.75
21. Gallegos, Maclovio	20	\$85.00
22. Gemoya, Fredrick/Lourdes	22	\$93.50
23. Jacquez, Eugene	8	\$34.00
24. Kaber, Charlie	60	\$255.00
25. Lobato, Joseph/Bonifacio Jr.	150	\$637.50
26. Lobato, Emelio	17	\$72.25
27. Lobato, Eugene/Buddy	6	\$25.50
28. Lobato, Marcos	17	\$72.25
29. Lucero, Maria Elena	4	\$17.00
30. Lucero, Ron	1	\$4.25
31. Madrid, Julio	17	\$72.75
32. Madrid, John (Chico)	2	\$8.50
33. Madrid, Raymond	5	\$21.75
34. Maestas, Norman	19	\$80.75
35. Martinez, Fernando	58	\$259.25

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Name	Acres	Assessments
36. Martinez, Sherman/Eric	7	\$29.75
37. Martinez, Derwin	1	\$4.25
38. Martinez, Susie	7	\$29.75
39. Martinez, Roy	20	\$85.00
40. Mascareñas, Jamie	7	\$29.75
41. Medina, Felix	1	\$4.25
42. Montano, Elva	8	\$34.00
43. Morell, George/Connie	1	\$4.25
44. Ortega, Prax Jr.	5	\$21.75
45. Payne, Alonzo	4	\$17.00
46. Quintana, Lori	1	\$4.25
47. Quintana, Mark	11	\$46.75
48. Rodriguez, Fidel	1	\$4.25
49. Romero, John/Cletice	2	\$8.50
50. Roybal, Teodoro/Alvardo, Maestas	10	\$42.50
51. Sanchez, Adriano/Josie, Quintana	30	\$127.50
52. Sanchez, Anthony	8	\$21.25
53. Sanchez, Gene	12	\$97.75
54. Sanchez, Fidel	5	\$21.25
55. Sanchez, Joe/Danny	12	\$51.00
56. Sanchez, Larry	2	\$8.50
57. Sanchez, Levi/Marianita	23	\$97.75
58. Sanchez, Manuel	38	\$161.50
59. Sanchez, Teresa/Julia	20	\$85.00
60. Sanchez, Michael	14	\$59.50
61. Sanchez, Robert	22	\$93.50
62. Sanchez, Virgil	5	\$21.25
63. Sandoval, Frank	13	\$55.00
64. Segura, Ramon	25	\$106.25
65. Trujillo, Augustine	8	\$34.00
66. Valdez, Abie Jr.	36	\$153.00
67. Valdez, Dean	12	\$51.00
68. Valdez, Earl/Eric	8	\$34.00
69. Valdez, Ernesto	20	\$85.00
70. Valdez, Evan	24	\$102.00
71. Valdez, Gail Shannahan	12	\$51.00
72. Valdez, Mark	111	\$471.75
73. Valdez, Jean	12	\$51.00
74. Valdez, Pamela	12	\$51.00
75. Vialpando, Kenneth	17	\$85.00
76. Vialpando, Leroy	17	\$72.75
77. Vialpando, Marvi	17	\$85.00
78. Vialpando, Nelson	4	\$17.00
79. Vialpando, Ray	1	\$4.25
80. Vialpando, Sylvian	6	\$25.50
81. Vigil, Ernesto/Dennis	20	\$85.00
82. Vigil, Serafin	2	\$8.50
	1872	\$8,034.50

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

A study was done by the Natural Resource Conservation Service in San Luis, Colorado. The study identified the following to mitigate the extreme deterioration of concrete lining and overflow of water over ditch banks and flooding in non-agricultural areas resulting in loss of irrigation water.

- Remove excessive willow, and tree growth along ditch banks.
- Replacement of failed lateral water control structures.
- Replacement 1,900 ft of failed concrete ditch lining with new concrete.
- Replace 15,000 ft of failed concrete lining with high density pipe.

There are no permitting issues in this project.

1. 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.

The **\$100,000** will be used to cover costs in **Task 2, 2a and 2b** in the **Scope of Work** for the Project which is the 1,900 linear ft of concrete lining. The NRCS has provided \$33,000 towards Phase I (NRCS) with the total Project cost of **\$138,510**. The cost is based on a bid of 1,900 x \$72.90 per linear ft = **\$138,510** for lining measurements of a 4' bottom, 2.5' depth, 1.25:1 side slopes. The remaining **\$5,510** costs will come from the In-kind/cash match contributions.

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

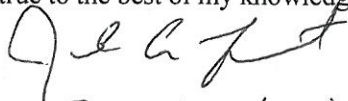
Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for 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.

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

Signature of Applicant:



Print Applicant's Name:

Joseph A. Lobato

Project Title:

Acequia Del Cerro

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