Water Supply Reserve Account – Grant and Loan Program

Water Activity Summary Sheet March 16-17, 2016

Agenda Item 14(q)

Applicant & Fiscal Agent: Rio Grande Headwaters Land Trust

Water Activity Name: Nash Ranch Conservation Easement Project

Water Activity Purpose: Nonconsumptive

County: Rio Grande

Drainage Basin: Rio Grande

Water Source: Rio Grande River

Amount Requested/Source of Funds: \$10,000 Rio Grande Basin Account

\$90,000 Statewide Account \$100,000 Total Grant Request

Matching Funds: Basin Account Match (\$10,000) = 10% of total grant

request (meets 5% min);

Applicant Match (\$400,000) = 400% of total grant request

(meets 25% min);

Basin Account & Applicant (\$410,000) = 410% of total

project costs (\$500,000)

(refer to Funding Summary/Matching Funds section)

Staff Recommendation:

Staff recommends approval of up to \$10,000 from the Rio Grande Basin Account and \$90,000 from the Statewide Account to help fund the project titled: Nash Conservation Easement Project.

Water Activity Summary: WSRA funds, if approved, will be expended to provide matching funds towards the purchase of a conservation easement on the Nash Ranch, a 198-acre working ranch, which includes both banks of almost one mile of the north channel of the Rio Grande river on the "Rio Grande Island," just east of the town of Del Norte in Rio Grande County.

This conservation opportunity will directly protect a senior surface water right in order to help sustain the historic water use patterns along the Rio Grande, while securing agricultural productivity, which is the economic base in the San Luis Valley. The protection of river corridor ranches is also important for wildlife habitat, the flood plain function of the river corridor, and beauty of the scenic landscape. The conservation easement will tie 1 cfs of Rio Grande #2 water rights to the property. This water right supports the sprinkler irrigation of about 50 acres of alfalfa and grass mix and the flood irrigation of 35 acres of pasture. Much of the remainder of the property is riparian area near the river and remains productive for livestock grazing due to sub-irrigation.

The Rio Grande Initiative provides vital benefits to both consumptive and non-consumptive water needs in the Rio Grande Basin and contributes to the overall goal of the Roundtable to achieve water sustainability. The Rio Grande Initiative is a collaborative, community-based, landscape-scale effort

to protect the land and water along the Rio Grande river corridor through voluntary, incentive-based, permanent conservation easements, with over 25,000 acres and 47 river miles protected to date.

Discussion: This project aligns well with several of the Goals and Measurable Outcomes as addressed in the Rio Grande Basin Implementation Plan (Chapter 3: Rio Grande Basin Goals #1, #2, #5, #6, #11, #12 & #13, pages 58-59). This effort is also specified as a Project and Method to meet the Basin's needs and goals (Chapter 6.2: Projects Fact Sheets, Rio Grande Initiative: Conservation Easements, page 142; & Chapter 6.3: Projects Meeting Basin's Needs and Goals, Table 8, #22, page 151). In addition this effort advances Agricultural Viability (CWP Chapter 6.5.2, pages 6-138 thru 6-144) and the Critical Goals and Actions of Colorado's Water Plan (CWP Chapter 10.3, page 10-12), such as: F. Critical Watershed Health, Environment, and Recreation Actions.

Issues/Additional Needs: No issues or additional needs have been identified.

Threshold and Evaluation Criteria: The application meets all four Threshold Criteria.

Tier 1-3 Evaluation Criteria:

This project has undergone review and evaluation and staff has determined that this request satisfies the Evaluation Criteria. Further analysis of the project, and how the project will meet Tiered Evaluation Criteria, is provided by the applicant in the WSRA Application.

Funding Summary/Matching Funds:

	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
Great Outdoors Colorado	\$200,000	\$0	\$200,000
Nash Ranch Landowners	\$200,000	\$0	\$200,000
Subtotal matching funds	\$400,000	\$0	\$400,000
WSRA Rio Grande Basin Account	\$10,000	n/a	\$10,000
WSRA Statewide Account	\$90,000	n/a	\$90,000
Total Project Costs	\$500,000	\$0	\$500,000

CWCB Project Manager: Craig Godbout

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 will help promote the development of a common technical platform. In accordance with the revised WSRA Criteria and Guidelines, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

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

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

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

Rio Grande Basin Roundtable c/o San Luis Valley Water Conservancy District 623 Fourth Street Alamosa, CO 81101

January 25, 2016

To: Colorado Water Conservation Board

C/O Craig Godbout, Program Manager, Water Supply Planning Section
RE: WSRA FUNDING REQUEST for the Rio Grande Headwaters Land Trust's
Rio Grande Initiative - Nash Ranch Conservation Easement

Dear Members of the Board:

This letter is to express the support of the RGBRT for the accompanying application for funding from the Water Supply Reserve Account's (WSRA) Basin and State-wide funds for the Rio Grande Headwaters Land Trust's (RiGHT) application for the *Rio Grande Initiative's Nash Ranch Conservation Easement* project.

The Rio Grande Basin Roundtable (RGBRT) has determined that the single, most critical water issue confronting the Rio Grande Basin (Basin) is to work toward sustainability of our surface and ground water. The RGBRT has made the decision that water activities that address this issue be favorably considered for funding from the Water Supply Reserve Account, SB 2005-179 (WSRA Funds), providing the proposed water activities meet the SWSI findings for the Basin and the CWCB and IBCC Criteria and Guidelines for funding.

With sustained interest from landowners and funding support from Great Outdoors Colorado, Colorado Parks and Wildlife, the Natural Resources Conservation Service, the Rio Grande Water Conservation District, local counties, private foundations and others, RiGHT has effectively tripled the pace of conservation along the Rio Grande in the past eight years. To date, over 25,000 acres and 47 river miles have been protected and over \$40 million of conservation value have been achieved. Across the San Luis Valley, RiGHT and its partners have protected key water resources along with vital wetlands and wildlife habitat on working agricultural lands. They have long worked in close collaboration with the area's various water, wildlife and land management agencies and districts as well as our farmers and ranchers.

Begun in 2007, the *Rio Grande Initiative* is a collaborative project to protect land and water along the Rio Grande corridor in the San Luis Valley. The *Initiative* has a proven track record of success and this landscape scale conservation effort has involved many of our Roundtable members in RiGHT's work. Thanks to the CWCB's prior WSRA awards totaling over \$2 million, along with substantial matching funds and landowner contributions, the *Rio Grande Initiative* has protected a number of working ranches and senior water rights in strategic locations along the Rio Grande and Conejos Rivers.

With this project, The Rio Grande Initiative is an important contributor to the RGBRT's core purpose: "to achieve water sustainability for the Basin." Conserving key parcels and their senior surface water rights along rivers assists the State in meeting important non-consumptive and consumptive needs by:

 Assisting the Division Engineer in administering the waters of the Rio Grande and meeting Colorado's compact obligations;

- Assisting Colorado Parks and Wildlife and the US Fish and Wildlife Service in sustaining key wildlife habitat for the many species that depend upon the river corridor: big and small game, waterfowl and many migrating and breeding bird species – including the federally endangered Southwestern Willow Flycatcher and threatened Yellow-billed cuckoo, and important fisheries;
- Assisting in maintaining flood plain functions by keeping open lands along the river intact and undeveloped;
- Protecting farm and ranch lands to sustain the Basin's agricultural economy; and,
- Helping secure and sustain river flows for recreational opportunities and preserving the scenic beauty of our river corridors.

As the application outlines, this project will permanently prohibit development of the Nash Ranch, which contains both banks of almost one mile of river, over 40 acres of federally-endangered Southwestern Willow Flycatcher habitat, and 1 cfs of the senior Rio Grande No. 2 water right, through the partial purchase of a voluntary conservation easement.

This conservation easement represents an exceptional conservation opportunity to help meet the water needs of the Basin and the State.

At the January 12, 2016 Rio Grande Basin Roundtable Meeting, the Members voted and approved this application with one opposing vote. The opposing view believed that with minimal development there was a better financial gain for the community and that the requested funding could be better spent on projects that he thought would bring real water answers to our basin's issues. That being said this application was strongly supported as a WSRA request for \$10,000 of Rio Grande Basin Funds and \$90,000 of Statewide funds. This Project also has letters of support from the Rio Grande Water Users Association; District 3 Engineer of the Colorado Division of Water Resources; Rio Grande County; and the Town of Del Norte.

Thank you for your consideration and valued support in the Rio Grande Basin.

Sincerely,

Nathan Coombs

Chair, Rio Grande Basin Roundtable

Nother Conto

(719) 843-5261

cwcd1971@hotmail.com

Enclosure (1)

Cc. Nancy Butler, Executive Director, Rio Grande Headwaters Land Trust



Division 3 301 Murphy Drive Alamosa, CO 81101

January 8, 2016

Colorado Water Conservation Board c/o Craig Godbout - WSRA Program Manager 1313 Sherman St., Room 721 Denver, CO 80203

RE: *Rio Grande Initiative*: Nash Ranch Conservation Easement WSRA Application from the Rio Grande Headwaters Land Trust

Dear Members of the Board:

This letter is in support of application from the Rio Grande Headwaters Land Trust (RiGHT) as proposed to the Rio Grande Basin Roundtable at the January 12, 2016 meeting for Water Supply Reserve Account funding to establish a permanent conservation easement on the 198-acre Nash Ranch near Del Norte. This project is part of RiGHT's larger *Rio Grande Initiative* to implement conservation easements that serve to keep the land base intact, tie water rights to the land, and ensure that historic irrigation patterns continue. To complete this project, RiGHT has requested both Basin and Statewide funds that will be matched with additional funding and a significant donation from the landowner.

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

Today, the irrigated lands on the Nash Ranch create a riparian/groundwater buffer and generate significant return flows to the Rio Grande. These return flows allow for further diversion of water downstream or can be used to assist in Colorado's delivery obligations under the Compact. Bigger water year diversions will tend to "fill" this alluvial area making deliveries during subsequent drier years less onerous. Absent this buffer and return flows, delivery of Colorado's obligation under the Compact could become difficult as more water would need to be curtailed from otherwise in-priority water rights to meet the required deliveries to the downstream states. Protection of the existing functional system will protect other vested water rights and Colorado's ability to deliver on Compact obligations.

Additionally, protecting the riparian areas along the Rio Grande is environmentally important. The vast majority of wildlife species in the Rio Grande Basin, including the endangered Southwestern Willow Flycatcher, rely on this habitat as part of their life cycle. Protecting habitat through conservation easements not only benefits these species but also reduces the need for federal mandates to accomplish the same goals.



The Rio Grande Basin Roundtable has voted favorably on this application and I recommend the CWCB also approve funding for this project. If you need further information regarding the benefits of this proposal to Colorado's water administration or Rio Grande Compact operations, please feel free to contact me at (719) 589-6683.

Sincerely,

Craig W. Cotten

Division Engineer, Division of Water Resources, Division 3

Craig W. Colles

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



The Rio Grande Water Users Association

147 Washington St.
Monte Vista CO. 81144
Telephone: (719) 852-3556 * FAX: (719) 852-5958

January 7, 2016

Colorado Water Conservation Board c/o Craig Godbout - WSRA Program Manager 1313 Sherman St., Room 721 Denver, CO 80203

RE: *Rio Grande Initiative*: Nash Ranch WSRA Application from the Rio Grande Headwaters Land Trust

Dear Members of the Board:

On behalf of the Rio Grande Water Users Association, this letter provides our enthusiastic support for the Rio Grande Headwaters Land Trust's (RiGHT) application for the Nash Ranch conservation project, a part of their ongoing *Rio Grande Initiative* to protect private lands along the Rio Grande river corridor. This project will keep important land and water resources intact, helping to sustain the agricultural productivity and local economy here in the San Luis Valley.

Conservation of the Nash Ranch will also help to address our local water resource concerns. The 198-acre Nash Ranch includes both banks of almost one mile of the Rio Grande near Del Norte. In addition to protecting another working ranch and long-time Valley family, a conservation easement will tie the water to the land and help our overall water sustainability. River corridor diversions provide critical return flows to the river and assist the State in meeting its obligations under the Rio Grande Compact. This important hydrology also helps to sustain many non-consumptive water benefits, like essential wildlife habitat and fisheries, that contribute to our quality of life and tourism economy.

RiGHT's opportunity to work with the Nash's on this project is the result of years of hard work and previous conservation successes, and we support their continuing efforts. Conserving the Nash Ranch and others like it will help secure our community's land and water for the long term and build on the corridor of protection that RiGHT and their many partners have helped to create over the past eight years.

We encourage your full support of this important project. Thank you for your consideration.

Greg Higel

RIO GRANDE COUNTY

BOARD OF COUNTY COMMISSIONERS

rgcommissioner@riograndecounty.org

January 6, 2016

925 6th St., Room 207 Del Norte, Colorado

81132

(719) 657-2744

Fax (719) 657-2514

Colorado Water Conservation Board c/o Craig Godbout - WSRA Application Program Manager 1313 Sherman St., Room 721 Denver, CO 80203

WSRA Application from the Rio Grande Headwaters Land Trust

BOARD OF COMMISSIONERS

OMMISSIONERS

Doug Davie Chairman

Pam Bricker

Vice Chairman

Karla L. Shriver

Commissioner

Dear Members of the Board:

RE: Rio Grande Initiative: Nash Ranch

This letter is to provide the support of the Rio Grande County Commissioners for the Rio Grande Headwaters Land Trust's (RiGHT) efforts to protect the Rio Grande river corridor and their current request for funding to protect the Nash Ranch. Rio Grande County has supported the Rio Grande Initiative since its inception because it serves to protect many of the key resources that are vital to our county and the people who live here. Voluntary conservation such as this is specifically supported in our county's Master Plan.

ADMINISTRATION OFFICE:

ADMINISTRATOR
Suzanne L. Benton

H.R./Financial Officer Kristy Dennis Protection of the Nash Ranch will benefit Rio Grande County by helping to preserve vital agricultural lands and water rights, which are the base of our economy. Additionally, conserving properties like the Nash Ranch protects important wildlife habitat for many species, including the federally endangered Southwestern Willow Flycatcher. Preventing future development of this working ranch also contributes to public safety by keeping the floodplain intact and functional, which reduces the risk of downstream flooding. In addition, this assists the State of Colorado in meeting its obligations under the Rio Grande Compact.

The people of Rio Grande County value our agricultural way of life and the scenic beauty of our region, and we support the efforts of RiGHT to keep working lands along the Rio Grande intact for the future. The protection of the Nash Ranch is another critical contribution to the overall efforts of conservation groups and local governments to preserve the land and water, so that our valley will remain beautiful and our agricultural and recreational economies can continue to thrive.

Rio Grande County strongly encourages your support of RiGHT's effort to conserve the Nash Ranch. Thank you for your consideration.

Sincerely,

Doug Davie Chairman

P.O. BOX 249 DEL NORTE, GO 81132

PHONE NO. (719) 657-2708 FAX NO. (719) 657-2035

January 12, 2016

Colorado Water Conservation Board Craig Godbout - WSRA Program Manager 1313 Sherman St., Room 721 Denver, CO 80203

RE: Rio Grande Initiative: Nash Ranch

WSRA Application from the Rio Grande Headwaters Land Trust

Dear Members of the Board:

The Town of Del Norte strongly supports the Rio Grande Headwaters Land Trust's (RiGHT) application to the Colorado Water Conservation Board for Water Supply Reserve Account funding to protect the Nash Ranch. Even though the Nash Ranch is not within the town limits, RiGHT's efforts to protect it and other nearby ranches are critical to sustaining the landscape and rural values that are central to our economy and way of life in Del Norte.

Conservation easements preserve vital agricultural lands and jobs, wildlife habitat, and the scenic beauty of the area. Conserving the Nash Ranch is particularly important because it will protect almost one mile of the Rio Grande river corridor just a few miles east of town. The Rio Grande is absolutely critical to our livelihood in Del Norte and across the San Luis Valley. It carries the water we need for our crops and grass to grow and so our grandchildren will be able to catch their first trout in our favorite fishing holes.

We are grateful to live and work in such a beautiful area and applaud RiGHT's hard work to keep our landscape open, scenic, healthy, and productive - especially along the Rio Grande. RiGHT and their partners reached their initial goal of protecting 25,000 acres near the river in 2015, and we certainly hope they are able to continue their conservation successes into the future.

The Town of Del Norte gives its enthusiastic support for the conservation of the Nash Ranch. Thank you for your consideration.

Town of Del Norte

Chris Trujillo Mayor



COLORADO WATER CONSERVATION BOARD

WATER SUPPLY RESERVE ACCOUNT APPLICATION FORM

Today's Date: 12/18/2015



\$100,000

The Rio Grande Initiative: Nash Ranch Conservation Easement Project Name of Water Activity/Project Rio Grande Headwaters Land Trust Name of Applicant \$90,000 **Amount from Statewide Account:** Rio Grande Basin \$10,000

Amount from Basin Account(s):

Total WSRA Funds Requested:

Approving Basin Roundtable(s)

(If multiple basins specify amounts in parentheses.)

FEIN: 84-1495770

Application Content

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

Required Exhibits

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

Appendices – Reference Material

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

Instructions

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

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

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

When completing this application, the applicant should refer to the WSRA Criteria and Guidelines available at: http://cwcb.state.co.us/LoansGrants/water-supply-reserve-account-grants/Documents/WSRACriteriaGuidelines.pdf. In addition, the applicant should also refer to the <a href="https://www.supplemental.gov/supplemental.g

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:

Craig Godbout - WSRA Application Colorado Water Conservation Board 1313 Sherman St., Room 721 Denver, CO 80203 Craig.godbout@state.co.us

If you have questions or need additional assistance, please contact Craig Godbout at: 303-866-3441 x3210 or craig.godbout@state.co.us.

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

1.	Applicant Name(s):	Rio G	rande Headwaters Land T	rust	
	Mailing address:	1	Box 444 Forte, CO 81132		
	FEIN #:	84-14	95770		
	Primary Contact:	Allen	Law	Position/Title:	Stewardship Director
	Email:	allenl	@riograndelandtrust.org		
	Phone Numbers:	Cell:		Office:	719-657-0800
	Alternate Contact:	Nancy	y Butler	Position/Title:	Executive Director
	Email:	nancy	b@riograndelandtrust.org		
	Phone Numbers:	Cell:		Office:	719-657-0802
2. H	Eligible entities for WSRA	funds inc	clude the following. What typ	pe of entity is the A	Applicant?
	are encouraged to work	with loc	al entities and the local entity	should be the gra	ndo agencies. Federal agencies nt recipient. Federal agencies cannot be the grant recipient.
	Public (Districts) – authand water activity enter		Fitle 32/special districts, (cons	ervancy, conserva	ation, and irrigation districts),
	Private Incorporated –	mutual di	itch companies, homeowners	associations, corp	orations.
	Private individuals, par for funding from the St			ble for funding fro	om the Basin Accounts but not
X	Non-governmental orga	anization	s – broadly defined as any org	ganization that is r	ot part of the government.

3. Provide a brief description of your organization

The Rio Grande Headwaters Land Trust (RiGHT) is a 501c3 non-profit organization formed in 1999 to "Conserve Our Land, Water and Way of Life in the San Luis Valley." RiGHT is a local land trust working throughout the San Luis Valley (SLV) to protect and support working ranches and farms, water resources, wildlife habitat, and scenic landscapes. To date, RiGHT has protected nearly 23,000 acres of land and associated water rights in the SLV through voluntary, incentive-based means.

RiGHT was originally developed as a proactive way to secure the land and water of the SLV for the long term. RiGHT has an all local Board Directors, including; three landowners and a ranch manager who have completed conservation easements on their own ranches, a former county commissioner, a wildlife biologist, a former Rio Grande National Forest Service - Forest Supervisor, a former Colorado Parks and Wildlife Commissioner, a fundraising/grant management professional, a former Natural Resources Conservation Service (NRCS) District Conservationist, the current archeologist for the Rio Grande National Forest, and a local real estate professional. Since 1999, RiGHT has worked to meet the San Luis Valley's growing demand for private lands conservation and provide relevant information for area landowners and professionals.

Over the life of the organization, RiGHT has actively collaborated with the community's water districts and organizations, state and federal agencies, and the Rio Grande Basin Roundtable in an effort to contribute to the overall efforts to achieve water sustainability in the San Luis Valley. In 2007, RiGHT started the *Rio Grande Initiative*, a timely, ambitious and broad-based partnership working to conserve 25,000 acres of intact land along the Rio Grande. RiGHT began the *Initiative* with two core partners, The Nature Conservancy and Ducks Unlimited, and with many other local and regional partners. Prior to the *Initiative*, 5,800 acres of private land were conserved along the Rio Grande. Since beginning the *Initiative*, *an additional 20,000 acres have been protected*, effectively tripling the pace of conservation along this iconic river corridor. This success would not have happened without past support from the Rio Grande Basin Roundtable and the Colorado Water Conservation Board through a \$1.5 million Water Supply Reserve Account (WSRA) grant in 2008, \$70,000 in 2011, \$425,000 in 2013, and \$150,000 in 2014. These funds matched \$7.4 million from a Great Outdoors Colorado (GOCO) Legacy Grant award and numerous other private and public funding sources to achieve seven successful conservation easements along the Rio Grande with senior water rights. Since that grant, RiGHT has achieved an additional three conservation easements with WSRA funds and has two more conservation easements currently in progress.

This year RiGHT and our core partners achieved the Initiative's original goal by collectively protecting over 25,000 acres along the river corridor, which includes protecting 47 river miles along the Rio Grande and Conejos rivers, totaling over \$40 million in conservation to date! These projects, achieved through a voluntary, incentive-based approach, secure important senior water rights to the working lands along with protecting the riparian wetlands and flood plain functions that provide wildlife habitat and serve the communities along the river. With momentum and a strong record of accomplishment, continuing interest from landowners, and the urgent need to protect the SLV's senior water rights, RiGHT and our partners are continuing to build upon the momentum and success of the *Rio Grande Initiative*. We are also working to expand the focus to include the Conejos River, the largest tributary to the Rio Grande in Colorado. Though the *Rio Grande Initiative*, we work through voluntary, incentive based means to protect as much of the Rio Grande and Conejos River corridors as possible, while we have the chance.

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

Same as above: RiGHT is the applicant and will be the contracting entity.

t	the projec a standarc	applicants will have to execute a contract with the CWCB prior to beginning work on the portion of et funded by the WSRA grant. In order to expedite the contracting process the CWCB has established d contract with provisions the applicant must adhere to. A link to this standard contract is included in a 3. Please review this contract and check the appropriate box.
	X	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. Th		yer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please any relevant TABOR issues that may affect the applicant.
We are	e not awa	re of any issues TABOR might bring to bear on our application.
Part I	I Descr	iption of the Water Activity/Project
1. Wh	at is the p	primary purpose of this grant application? (Please check only one)
	X	Non consumptive (Environmental or Recreational)
		Agricultural
		Municipal/Industrial
		Needs Assessment
		Education
		Other Explain:

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

In addition to the **environmental, non-consumptive needs** achieved by protecting almost one mile of the Rio Grande river, which is important wildlife and fish habitat, this project also contributes to sustaining the consumptive needs of **agriculture** by securing the land and water for animal and crop production into the future. In addition, keeping important floodplain areas open and intact through conservation easements, contributes to the protection of downstream **municipalities** from future flooding. Also, keeping senior water rights in historic use patterns along the river helps to sustain river function and, at the same time, supports the State's management and Rio Grande Compact obligations.

3. Is this project primarily a study or implementation of a water activity/project? (Please check only one)							
	Study X Implementation						
4. To catalog m	neasurable results achi	eved with W	VSRA funds can you provide any of the following numbers?				
	New Storage Crea	ated (acre-fee	et)				
	New Annual Water	er Supplies I	Developed, Consumptive or Nonconsumptive (acre-feet)				
	Existing Storage Preserved or Enhanced (acre-feet):						
4800	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)						
Х	X Area of Restored or Preserved Habitat (acres): 198 acres						
X	Other Explain:		of approximately 198 productive agriculture acres and I water rights				

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

Latitude:	37° 41' 11.595"	Longitude:	-106° 19' 6.776"
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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.

RiGHT will use the requested WSRA funds to provide matching funds towards the purchase of a conservation easement on the Nash Ranch, a 198-acre working ranch, which includes both banks of almost one mile of the north channel of the Rio Grande river on the "Rio Grande Island," just east of the town of Del Norte in Rio Grande County.

The conservation easement will tie 1 cfs of Rio Grande #2 water rights to the property. This water right supports the sprinkler irrigation of about 50 acres of alfalfa and grass mix and the flood irrigation of 35 acres of pasture. Much of the remainder of the property is riparian area near the river and remains productive for livestock grazing due to sub-irrigation. This project is another important addition to our landscape scale effort to protect and sustain the historic water use patterns along the Rio Grande river corridor by tying the water rights to the land through permanent, voluntary conservation easements.

This property is a part of RiGHT's successful *Rio Grande Initiative*, which benefits both non-consumptive and consumptive water needs in the Rio Grande Basin and contributes to the goal of the Rio Grande Basin Roundtable to achieve water sustainability. RiGHT already holds one other conservation easement on the "Rio Grande Island" next to Del Norte, and another 263 acres are protected by the Wetlands Reserve Program downstream from the Nash Ranch, also on the north channel. Additionally, RiGHT is currently working on another easement on the "island" near the Nash Ranch. If all four of these "island" ranches are conserved, over 1,250 acres and 9 miles of river on this very special area near Del Norte will be protected.

Non-Consumptive Needs/Benefits

Environment: Protect key wildlife habitat for endangered species

- The US Fish and Wildlife Service's recently produced maps shows this project as being within a zone of habitat for the endangered Southwestern Willow Flycatcher. (See USFWS Report, "Land Protection Plan: San Luis Valley Conservation Area, Colorado and New Mexico, November 2013. (http://www.fws.gov/mountain-prairie/planning/lpp/co/slv/slv.html)
- This project is also within the Rio Grande Water Conservation District's (RGWCD) Habitat Conservation Plan (HCP) (http://www.rgwcd.org/page23.html) for the federally endangered Southwestern Willow Flycatcher and the threatened Yellow Billed Cuckoo, and the HCP will benefit from conservation of this property.

Environment: Sustain wetlands and riparian corridor habitat and health

• The Nash Ranch includes almost one mile of both banks of the north channel of the Rio Grande river channel, 78 acres of "wet meadows" (9 acres of which are designated wetlands) and over 80 acres of riparian area in the Rio Grande floodplain. Throughout Colorado, wetlands make up less than 3% of the landscape, but provide benefits to over 75% of the species in the state and 1 in 4 species are dependent

on this habitat for survival. Since being settled, Colorado has lost approximately half of all wetland acres in the state. In the arid San Luis Valley, 66% of the wetlands acres occur on private lands, making voluntary conservation easements an ideal tool to protect this important resource.

• The 2008 Colorado Parks and Wildlife's Strategic Plan for the Wetland Wildlife Conservation Program emphasized the importance of protecting wetlands, stating that: "Relatively speaking, the conservation of wetlands and riparian areas has a greater positive impact on the general vitality of Colorado's wildlife populations than perhaps any other habitat conservation practice." In the San Luis Valley, abundant waterfowl, water birds, shore birds, songbirds, the migrating Sandhill Cranes, as well as large game species, such as elk and deer make extensive use of the river corridor. With both banks of almost 1 mile of river corridor on just 198 acres of property, the Nash Ranch provides an extraordinary opportunity to protect more of this critical habitat. The intact lands and health of the riparian zone, along with the senior surface water rights that sustain those wetlands, are vital to our area's extensive wildlife populations, including endangered species.

Municipal & Industrial: Contribute to public safety

• Conservation of these properties will contribute to public safety in Rio Grande County through maintaining the flood mitigation function of large portions of the river's flood plain. The cumulative effect of increasing subdivision and residential development in the flood plain, the building of new roads, excavations, and changes of water use patterns all diminish the function of the flood plain and increase risks to the public. The Nash Ranch is in the flood plain very close to the City of Del Norte. Keeping the flood plain intact and functional helps mitigate the impact any future flooding. (See the forthcoming letter of support from the City of Del Norte.)

Consumptive Needs/Benefits

Agriculture: Secure land and water for agriculture

• Conservation easements secure the viability of agriculture by ensuring land and water resources are available for agriculture for the long term. This is accomplished by tying the property's senior water rights to the land through the language of the conservation easement. The Nash Ranch has 1 cfs of Rio Grande #2 water that supports the irrigation of approximately 50 acres of alfalfa-grass mix and 35 acres of irrigated pasture. Most of the remaining river corridor acreage is also used as pasture, which contributes to the multiple benefits discussed throughout this application.

Interstate Compacts: Assist State with compact administration

• This easement will help continue historic water use patterns to ensure that water use is sustained in ways that help the Colorado Division of Water Resources administer and meet the State of Colorado's Rio Grande Compact obligations. (See the forthcoming letter of support from CDWR Division Engineer Craig Cotten.) The storage and recharge benefits of riparian/flood plain zone wetlands provide a "sponge" effect along the river corridor that helps to produce return flows, extend the irrigation season and maintain flows in the river.

Part III. - Threshold and Evaluation Criteria

- 1. <u>Describe how</u> 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 <u>and</u> the additional Statutes and Constitutional Article referenced below. In addition, the voluntary placement of conservation easements, which includes securing water rights to the land, is not only allowed, but is frequently and vigorously encouraged by and funded through numerous federal, state and local entities including the Colorado Water Conservation Board (CWCB) through the Rio Grande Basin Roundtable, Great Outdoors Colorado (GOCO), Colorado Parks and Wildlife (CPW), the US Department of Agriculture's NRCS, the Department of Interior's US Fish and Wildlife Service, the Rio Grande Water Conservation District, the Rio Grande Water Users Association, the counties and towns of the San Luis Valley and many others.

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

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.

scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state."

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

The Nash Ranch Conservation Project has strong support from the Rio Grande Basin Roundtable, as evidenced by their vote of in favor of this application and the use of Basin funds for this project, as well as their past support of similar projects and RiGHT's overall *Rio Grande Initiative*. Our community members recognize the vital role of the river corridor and its senior surface water rights to our ability to steward water and ensure future water sustainability for the region. Their support indicates the urgent need and critical timing of conservation projects - and that the opportunity to protect this parcel in the Rio Grande floodplain must be acted upon while the landowners are willing.

This application includes a commitment of \$10,000 of Basin funds towards this overall request, with a request for \$90,000 of statewide funds. This request will be leveraged with \$200,000 in cash match and a landowner donation of approximately \$200,000 in conservation value for a total of \$400,000 in match, equaling a 4:1 match to funding request. This demonstrates both the strong commitment to this effort from our Roundtable members and the leverage that this project will provide to CWCB funds, if awarded.

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

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

Please see the project information in this application and in the attached letter from the Rio Grande Basin Roundtable Chair, Nathan Coombs.

d) Matching Requirement: For requests from the **Statewide Fund**, the applicants will be required to demonstrate a **25 percent** (or greater) match of the total grant request from the other sources, including but not limited to Basin Funds. A minimum match of 5% of the total grant amount shall be from Basin funds. A minimum match of 5% of the total grant amount must come from the applicant or 3rd party sources. 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 contract or purchase order between the applicant and the State of Colorado is executed. Please describe the source(s) of matching funds. (NOTE: These matching funds should also be reflected in your Detailed Budget in **Exhibit A** of this application)

As shown in the Budget portion of this application, this request is for \$100,000 total WSRA funds, including \$10,000 of the Rio Grande Basin Roundtable's Basin funds and \$90,000 of Statewide funds. This request will be leveraged by \$200,000 in cash funding from Great Outdoors Colorado (pending approval), and a landowner donation of an estimated \$200,000 in conservation easement value (the actual donation amount will be determined by the final appraisal). Our request far exceeds the minimum match requirements noted above, with a total project value of \$500,000 and with the WSRA funds comprising 20% of the overall project.

2. For Applications that include a request for funds from the **Statewide Account**, <u>describe how</u> 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. The applicant should also refer to the Supplemental Scoring Matrix applied to Evaluation Criteria Tiers 1-3 for Statewide Account requests. 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.

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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.

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

a. The water activity addresses multiple needs or issues, including consumptive and/or nonconsumptive 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 proposed conservation project on the Nash Ranch and RiGHT's overall *Rio Grande Initiative* achieve direct protection of river corridor, surrounding riparian and meadows, and senior surface water rights. Protecting the river addresses both non-consumptive and consumptive needs and benefits multiple entities and interests in the Rio Grande Basin and on behalf of the State, especially wildlife habitat needs and the sustainable administration of the Rio Grande Compact. The benefits include:

- 1) **Environment:** The 198-acre Nash Ranch project parcel includes both banks of nearly one mile of river, is within the Rio Grande river floodplain, and includes approximately 80-acres of important riparian area and 9-acres of wetlands. This river environment is largely self-sustaining as long as it is not disturbed by major human activity. The water right on this property irrigates approximately 85 acres of hay production and pasture on the property. Riparian areas and wetlands along the river corridor provide highly important wildlife habitat for many species of wildlife, including endangered species. Many organizations have demonstrated their recognition of the importance of conserving habitat like the Nash Ranch:
 - a) There are four State Wildlife Areas and over 10,000 acres of already protected private land along the Rio Grande between Del Norte and Alamosa. Colorado Parks and Wildlife has funded river corridor conservation easements through several of its programs and has been a direct partner on the *Rio Grande Initiative* through the GOCO Legacy funding and subsequent grants.
 - b) Federal funds awarded through the North American Wetlands Conservation Act and through both the NRCS's Wetland Reserve Program and their Agricultural Lands Easement program have supported extensive private land conservation along this corridor.
 - c) The US Fish and Wildlife Services' recently produced habitat maps show the project parcel as being within a zone of "irreplaceable habitat." (See http://www.fws.gov/mountain-prairie/planning/lpp/co/slv/documents/slv_lppdraft_all.pdf)
 - d) The Rio Grande Water Conservation District's (RGWCD) Habitat Conservation Plan (HCP) has designated this area as an important habitat zone for the endangered Southwestern Willow Flycatcher and threatened Yellow-Billed Cuckoo.
- 2) **Municipal & Industrial:** Intact, open land along the river corridor provides for a functional flood plain, which helps reduce the potential impacts of floods on the towns and cities along the river. Located just downriver from Del Norte and approximately five miles upriver of the 'Plaza' neighborhood, the project parcel is directly on the river, with no development near the river, and is within the flood plain. The Nash Ranch, along with a 263 acre WRP easement, an additional RiGHT conservation easement, and another potential nearby conservation easement, will contribute to this objective. (See forthcoming letter of support from the Town of Del Norte.)
- 3) **Agriculture:** By keeping land and water intact, this project will help sustain agricultural productivity in the SLV and its role as the basis for the area's economy for the long term. The 198-acre Nash Ranch is used for year-round grazing and haying. Additionally, it has been owned and operated by the Nash family for three generations, and its conservation will help keep a long-standing agricultural family on the land. The ranch is irrigated by 1 cfs of Rio Grande #2 water, an important senior water right. Tying this senior water right to the land with a

conservation easement will ensure its use into the future. (See forthcoming letter of support from Rio Grande Water Users Association.)

- 4) **Interstate Compacts:** Functioning agricultural lands along the river divert water into pastures and riparian wetlands, which then create return flows to the river. This historic pattern of water use assists the Colorado Division of Water Resources in administering the waters of the Rio Grande and meeting Colorado's obligations under the Rio Grande Compact. Tying the senior water rights to this parcel through a conservation easement is an important step on our Basin's path to water sustainability and contributes to the State's ability to administer the Compact. (See forthcoming letter of support from CDWR Division Engineer, Craig Cotten.)
- 5) **Intra-basin:** The timing of this effort is urgent--changes in water use are already underway as senior water rights along the river corridor are at risk of being altered for well augmentation purposes, and as historic ranches are bought and fragmented into smaller parcels for residential purposes. Timely action is necessary to achieve the many benefits possible by conserving the Nash Ranch along with other river corridor ranches, which are particularly desirable for development.

The conservation of the Nash Ranch meets not only RiGHT's *Rio Grande Initiative* goals, but also five (5) of the fourteen (14) goals set forth in the Rio Grande Basin Water Plan. As outlined above, this project promotes collaboration and cooperation for meeting water management goals and needs and also meets the following Rio Grande Basin Water Plan goals:

- 1. Protect, preserve and/or restore the sustainability of the Rio Grande Basin watersheds by focusing on the watershed health and ecosystem function;
- 5. Manage water use to help sustain the agricultural economy throughout the Basin's communities;
- 6. Support the development of projects and methods that have multiple benefits for agricultural, municipal and industrial, and environmental and recreation water needs;
- 11. Protect, preserve and enhance terrestrial and aquatic wildlife habitats throughout the Basin; and,
- 12. Conserve, restore and maintain wetlands and riparian areas for the benefit of a healthy watershed.
- b. The number and types of entities represented in the application and the degree to which the activity will promote cooperation and collaboration among traditional consumptive water interests and/or non-consumptive interests, and if applicable, the degree to which the water activity is effective in addressing intrabasin or interbasin needs or issues.

A 'landscape-scale' project like the *Rio Grande Initiative* is only possible through broad based participation and diverse support from the local community and beyond. In addition to the support of Rio Grande Basin Roundtable and the allocation of \$10,000 of Basin funds toward this application, the project has garnered support from both traditional consumptive water interests, including an annual funding commitment from the Rio Grande Water Conservation District to RiGHT to implement the *Rio Grande Initiative*, and non-consumptive interests, such as Colorado Parks and Wildlife, USFWS, USFS, BLM, NRCS and others. RiGHT collaborated directly with The Nature Conservancy and Ducks Unlimited on the *Rio Grande Initiative* original strategic planning and launch in 2007 and several subsequent conservation transactions. We continue to work closely with these organizations as well as other conservation partners such as Colorado Open Lands and the Western Rivers Conservancy.

The *Rio Grande Initiative* is supported by all four Boards of County Commissioners in the project area. It is also supported by the following local, state and federal governmental entities, districts and agencies, as well as by many local, state and national conservation organizations such as:

Water Supply Reserve Account – Application Form

Revised October 2013

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

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

The *Rio Grande Initiative* addresses many of these vital issues in a proactive, voluntary, incentive-based manner. Through conservation easements, landowners are offered the opportunity to receive partial payment for permanently encumbering their property for its conservation values, such as wildlife habitat, scenic views and agricultural productivity, and permanently tying their water rights to the land. This ensures that land and water resources are permanently available for agriculture, wildlife, and recreation and that they continue to provide functioning floodplains, wetlands, and critical wildlife habitat. Additionally, keeping the SLV's scenic landscape intact enhances the quality of life and attracts visitors to the region, which is an important element of our local economy. The alternative – permanently drying up of river corridor lands – would be irreversibly detrimental to all of these inter-related and vital riparian functions, which is exactly why the Rio Grande Basin Roundtable and many other community, state and federal entities strongly support the *Initiative* and this application.

Benefits and Beneficiaries:

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

many of these attributes.

The beneficiaries of protecting the Nash Ranch and the overall Rio Grande corridor in Colorado include:

- The counties of Mineral, Rio Grande, Alamosa, and Conejos and the communities (Creede, South Fork, Del Norte, Monte Vista, and Alamosa) along the river, which benefit from preserved scenic landscapes, protected flood plains, fewer risks to water quality, and the economic benefits of agriculture as well as tourism and recreational opportunities including fishing, hunting, boating, and bird watching.
- Area residents, including multi-generational farmers and ranchers and the broader SLV community, who
 depend upon historic water use patterns for their livelihood and the role of the river in restoring the
 Valley's currently threatened aquifer.
- The many visitors who travel along various county roads along the river, as well as U.S. Highway 160 and the Silver Thread Scenic Byway on U.S. Highway 149. Visitors and locals alike will continue to enjoy the spectacular open vistas along the river's scenic landscape.
- The abundant wildlife, including elk and deer, trout in the river's Gold Medal fisheries, migratory waterfowl and numerous other bird species (including endangered and threatened species) which depend upon the riparian corridor and associated wetlands and water rights.
- The State and Federal agencies which hold land and water rights along the river, including the CPW's four SWA's along the river, the Colorado State Land Board, the USFWS's Alamosa National Wildlife Refuge, the Rio Grande National Forest and the BLM.
- The State of Colorado, through the CDWR's ability to better administer the waters of the Rio Grande, while providing the longest possible irrigation season and maximum benefit to the citizens of Colorado.
- Our downstream neighbors in New Mexico, Texas and Mexico also benefit from Colorado caring for and protecting the headwaters of the Rio Grande.
- Note that in the summer of 2013, the West Fork Fire Complex burned in the upper region of Mineral County. The fire burned down to the edge of four of RiGHT's protected properties along the Rio Grande, as well as tributaries Trout and Goose Creeks. Conservation easements on such lands insure that a minimal number of homes will be built, thus minimizing the need for protection, and that the river and stream corridors are kept intact and can recover more effectively from fire impacts than if fragmented with additional roads and other infrastructure.
- c. The water activity helps implement projects and processes identified as helping meet Colorado's future water needs, and/or addresses the gap areas between available water supply and future need as identified in SWSI or a roundtable's basin-wide water needs assessment.

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

SWSI on Consumptive Needs

Section 5 on Consumptive Water Needs in the Rio Grande Basin discusses the anticipated shift of agricultural water uses to municipal and industrial uses. It is already clear that the San Luis Valley must reduce its irrigated agricultural area substantially in order to restore and sustain the aquifers we depend upon. Serious effort is underway through the RGWCD's formation of Ground Water Management Subdistricts. This effort is supported by the Rio Grande Basin Round Table, including the previous allocation of Basin funds in support of this effort. Through this

process, it is vital that appropriate agricultural lands are retired and others are sustained in production with their historic water use patterns intact. One key to this process is the retention of senior surface water rights and historic water use patterns along the Rio Grande river corridor. The significance of these patterns is increasingly being understood, through the WSRA-funded study on the hydraulic divide and the long-term observation of many local experts and landowners. All indicators point to the **essential ecosystem function** of the historic water use patterns for filling and protecting the "sponge" along the river corridor. Corridor wetlands sustained through floods and agricultural diversions, retain higher spring river flows and provide slower release and return flows that are critical for sustaining river flows and thus extending the annual irrigation season longer. This also helps the CDWR's administration of the river and the Rio Grande Compact.

The Rio Grande Initiative, which protects key land and senior surface water rights along the river, is the most direct approach possible to sustaining these key functions for consumptive needs.

SWSI on Non-Consumptive Needs

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

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

The *Rio Grande Initiative* is a project that directly addresses flow issues. Securing land and senior surface water rights helps to sustain river flows for the benefit of environmental and recreational uses, including habitat for the federally endangered Southwestern Willow Flycatcher and threatened Yellow Billed Cuckoo, substantial riparian wetlands and vital wildlife habitat along the entire river corridor, including our excellent fisheries.

Further, the SWSI Report states:

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

RiGHT directly implements these strategies to conserve and protect the Rio Grande corridor through our use of voluntary conservation easements. Such a proactive approach to keeping the land along the Rio Grande as "whole" as possible is preferable to managing the impacts of ever-greater land fragmentation and the ensuing changes in essential ecosystem function along this corridor. As water use changes, addressing these problems reactively comes at great cost and complexity—with fewer and lesser benefits achievable once the functions are diminished. Conservation of the river corridor will only become more expensive and more complex in the future. Thus the time to act is now, while we have the chance.

Section 6.1 of the SWSI report also suggests key sources of information including the Colorado Natural Heritage Program (CNHP). RiGHT has worked collaboratively with CNHP for data collection in the Rio Grande Basin and staff training. We anticipate that additional data can and will be collected by CNHP on conserved lands in the future.

Section 7 of the SWSI report addresses "Availability of Existing Water Supplies in the Rio Grande Basin" and identifies in Table 7-1 "Factors that May Affect Future Availability (Legal and/or Physical) of Supplies in the Rio Grande Basin." The Rio Grande Initiative aims to sustain current uses along the river that capture water in the

"sponge" of riparian wetlands, which is then slowly released to the riparian zone. This process sustains river flows for environmental and recreational benefits (fisheries, wetlands, numerous birds, waterfowl and the lush vegetation used by numerous species of wildlife), and allows for a longer irrigation season. Through the non-consumptive needs assessment of the Rio Grande Basin Round Table, our environmental community already strongly concurs with the water community that keeping the river corridor land and associated senior surface water rights intact is critical to sustaining the river's important wetlands and all the benefits they provide. If substantial senior surface water rights were to be diverted from the river corridor to augment other "off-corridor" uses, the impacts would be both detrimental and cumulative and the losses to essential ecosystem functioning irreversible. Such diversions would impact the riparian wetlands, the healthy functioning of the river, and the CDWR's ability to administer the Rio Grande.

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

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

The *Rio Grande Initiative* is an immediate and proactive solution to meeting current and future consumptive agricultural needs and non-consumptive recreational and environmental needs. Our process is well defined, has a strong record of success, and provides a mechanism for the beneficiaries to contribute directly to the project. Landowners contribute through a charitable donation of a portion of the value of their conservation easement (in this project, an estimated value of \$200,000), the land and water are available for agriculture for the long term, and the environmental and recreational water benefits are sustained in perpetuity.

In Section 8.2 the SWSI report states that,

"it is possible that a failure to implement the Identified Projects and Processes would result in even greater impacts to irrigated agriculture and the economies dependent upon them."

Keeping the river "whole", which includes sustaining the Rio Grande corridor's long-used agricultural lands, its important riparian wetlands and wildlife habitat, and its recreational attributes, is vital to our community's economy and future. Protecting as much of the river's attributes as possible will continue to serve many beneficiaries for the very long term.

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

"Recognition of connectivity between irrigated agriculture and late-season base flow and water temperatures. Ensure that changes to agricultural practices do [...] not significantly impair or reduce these benefits."

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

Section 10: Evaluation Framework

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

- #2. Sustainably meeting agricultural demand when and where needed;
- #3. Optimizes Existing Water Supplies by sustaining traditional uses that also provide critical environmental

benefits (for threatened and endangered species and all wildlife) and valued recreational uses (including fishing, wildlife watching, waterfowl and other hunting);

#4. Enhance Recreational Opportunities by both providing water for recreation when and where needed and encouraging cooperative multiple recreational and wildlife opportunities.

#5. Provide for Environmental Enhancement by providing adequate water for the environment where and where it is needed, avoid/mitigate environmental impacts of new project, and protect and improve water

Tier 2: Facilitating Water Activity Implementation

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

When a landowner is ready to proceed with protecting their land and water, it is critical to maintain momentum and move as quickly as possible to achieve the conservation easement. This is important for the overall pace of the *Rio Grande Initiative* and encouraging other landowners to protect their properties with conservation easements. Without WSRA funding, the timing on this project would likely be pushed back, during which time the cost of land conservation could continue to rise and with stalled momentum, the landowner might lose interest. The current real estate market appears to be gaining some new momentum. As it does, it is likely that scenic ranches with water rights will once again be sold at an increasing rate. When this happens, often times land values are driven out of the reach of most agricultural producers. We are working hard to provide landowners with conservation options.

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

Timing of Opportunity:

We have spent the last nine years achieving conservation opportunities through the *Rio Grande Initiative* and have protected substantial parcels along the river and its tributaries. With this success, landowner interest is on the rise, including a landowner of a nearby parcel. We need to continue to meet landowner interest in order to maximize the number of conservation transactions along the river corridor. Otherwise, the development of key lands with senior water rights could occur and the chance to preserve them may be permanently lost rather than permanently protected.

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

As outlined in the budget, the requested WSRA funds will be matched with funds of \$200,000 from a future GOCO application and a donated contribution of approximately \$200,000 of the conservation easement value from the landowners, totaling approximately \$400,000 in match for this project. (Note that the actual amount of the landowner donation is determined by the final appraisal.)

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

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

Evaluation Criteria.

Please attach additional pages as necessary.

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

In addition to the conservation of Nash Ranch clearly meeting six of the fourteen goals set forth in the Rio Grande Basin Water Plan, this project also address primary challenges facing Colorado as defined in the Colorado State Water Plan, as further outlined below (http://coloradowaterplan.com/):

1. Agricultural dry-up: Irrigated agriculture is being lost by the purchase and permanent transfer of agricultural water rights. At the current rate of transfer, there will be a major reduction in Colorado's agricultural lands in the future. This could impact Colorado's economy and food security. In addition, rural communities could dry-up along with agriculture if enough agricultural business goes away.

The proposed conservation easement is a direct tool to prevent agricultural dry-up in strategic locations, such as along river corridors that also provide important wildlife habitat and are vital for river function and for meeting compact obligations.

2. Critical environmental concerns: An increasing number of fish species in Colorado are at risk of becoming endangered due to habitat loss. This risk has the potential to increase if agricultural, municipal, and industrial water needs are set up to clash with environmental and recreational water needs.

The proposed conservation easement is a direct tool to secure land and water with almost one mile of valuable river channel habitat, protect habitat for fish species at risk of becoming endangered, and also providing habitat for other endangered species in the Rio Grande Basin, including the Southwestern Willow Flycatcher.

3. Variable climatic conditions: Climate change and associated impacts make it more difficult to meet Colorado's future water needs because of diminishing supplies, increased demand for water, and the wide variability predicted in the future.

The proposed conservation easement secures land and water as part of an overall approach to provide a "critical mass" of resources intact to sustain working lands and wildlife habitat into an uncertain climatic future.

Part IV. - Required Supporting Material

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

As one of the key components of this project, the property's senior surface water right will be permanently attached to the land through the terms of the conservation easement. The senior water right associated with this project includes 1.0 cfs from the Rio Grande #2 ditch, a right that irrigates approximately 85 acres of the ranch.

- 2. Please provide a brief narrative of any related studies or permitting issues. Not applicable.
- 3. Statement of Work, Detailed Budget, and Project Schedule

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

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

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

Signature of Applicant:

Print Applicant's Name: Allen Law, Stewardship Director, Rio Grande Headwaters Land Trust Project Title: The Rio Grande Initiative: Nash Ranch Conservation Easement Project

Date: 1/4/2016

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

Craig Godbout – WSRA Application Colorado Water Conservation Board 1313 Sherman St., Room 721 Denver, CO 80203 303-866-3441, ext. 3210 (office) 303-547-8061 (cell) craig.godbout@state.co.us

Exhibit A

Statement of Work

WATER ACTIVITY NAME – Rio Grande Initiative: Nash Ranch

GRANT RECIPIENT – Rio Grande Headwaters Land Trust (RiGHT)

FUNDING SOURCE - Basin and Statewide Accounts

INTRODUCTION AND BACKGROUND

The *Rio Grande Initiative* is a collaborative, community-based, landscape-scale effort to protect the land and water along the Rio Grande river corridor through voluntary, incentive-based, permanent conservation easements, with over 25,000 acres and 47 river miles protected to date. The requested funds will be used by the Rio Grande Headwaters Land Trust (RiGHT) for the acquisition of a conservation easement on the 198-acre Nash Ranch near the town of Del Norte in Rio Grande County. This conservation opportunity will directly protect a senior surface water right in order to help sustain the historic water use patterns along the Rio Grande, while securing agricultural productivity, which is the economic base in the San Luis Valley. The protection of river corridor ranches is also important for wildlife habitat, the flood plain function of the river corridor, and beauty of the scenic landscape. The *Rio Grande Initiative* provides vital benefits to *both* consumptive and non-consumptive water needs in the Rio Grande Basin and contributes to the overall goal of the Roundtable to achieve water sustainability.

OBJECTIVES

As part of the overall *Rio Grande Initiative*, this project will permanently protect the 198-acre Nash Ranch, its senior water right, and almost one mile of both banks of the Rio Grande, through the purchase of a voluntary conservation easement.

TASKS

TASK 1 – Implementation

The initial task consists of implementing a conservation easement on this unique parcel, which is 198 acres and has almost one mile of the Rio Grande, in Rio Grande County and its associated senior water rights. WSRA funds will be used solely toward the acquisition of the conservation easement. All other related costs for personnel, due diligence, etc. will be borne by RiGHT, the landowner, and/or other funders and therefore are not documented in this application. The WSRA funds would be expended at closing on the conservation easement through a Title Company, only when all the due diligence is finalized, in a similar process to the prior WSRA awards.

Description of Task

The Conservation Easement process includes:

- Fundraising/submitting grant(s) for balance of state and/or federal funds
- All due diligence required by law and funding sources including: Appraisal, title work, mineral and water

rights, survey (as needed), Phase I Environmental Site Assessment, Baseline Condition Report, negotiation of the deed of conservation easement, etc.

- Closing and recording of the conservation easement
- Long-term stewardship of the conservation easement as required, including annual monitoring, and enforcement of easement terms when and if necessary.

Method/Procedure

The conservation easement funded through this application will be held by the RiGHT and the implementation will be conducted according to:

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

Deliverable

The deliverable from this activity will be the completion of a perpetual conservation easement on the Nash Ranch.

BUDGET

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

Conservation Easement Purchase/Costs & Sources of Funds							
Funding Source:	Nash Ranch Conservation Easement						
WSRA Funds	\$100,000						
GOCO (or Other Funding Sources)	\$200,000						
Landowner	\$200,000						
TOTAL CE Value/Cost	\$500,000						
Percent of Project Funding from WSRA	20%						

SCHEDULE

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

Task	First 6 Months				Second 6 Months						
	3/16 -6/16		6	7/16 – 9/16		10/16 – 12/16			1/17 – 3/17		
A – Additional funds raised											
B – Due Diligence											
C – Closing on Conservation Easement											
D Final Report											

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.

REPORTING AND FINAL DELIVERABLE

Reporting: The applicant shall provide the CWCB a progress report every six 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.



