Water Supply Reserve Account – Grant and Loan Program
Water Activity Summary Sheet

Applicant:

Colorado Rio Grande Restoration Foundation

Amount Requested: $36,750

Source of Funds: Basin Account

Water Activity Name: Rio Grande Conservation Enhancement Program – Preparation of Grant and Application

Water Activity Purpose:

Non-structural water activity

Matching Funds: None

County:

Alamosa, Conejos, Costilla, Hinsdale, Mineral, Rio Grande, and Saguache counties

Drainage Basin:

Rio Grande

Water Source:

Groundwater management strategy

Water Activity Summary:

The Colorado Rio Grande Restoration Foundation is an outgrowth of the Rio Grande Headwaters Restoration Project, which originated in 1999 to review the function of a 91-mile reach of the Rio Grande most impacted by human intervention. The study made recommendations to improve the river's natural functions, while meeting the obligations of the Rio Grande Compact.

The Colorado Rio Grande Restoration Foundation is a Colorado Nonprofit Corporation, # 20041324471. In January 2005, the Foundation received its IRS 501 (c) 3 status as a public foundation, with EIN # 75-3169057. The Foundation is exempt from Federal income tax.

The Rio Grande Basin is comprised of all or portions of Alamosa, Conejos, Costilla, Hinsdale, Mineral, Rio Grande, and Saguache counties. The total human population is approximately 50,000, with the majority of people inhabiting Conejos, Rio Grande and Alamosa counties. Monte Vista, Alamosa, Saguache, Del Norte, and San Luis are a few of the larger municipalities in the basin.

The Rio Grande's largest tributary is the Conejos River, located in the southern part of the Basin. Major tributaries within the Closed Basin include La Garita, Carnero, and Saguache Creeks. There are 14 storage projects within Colorado's Rio Grande drainage storing approximately 350,000 acre feet of water under normal storage conditions. The groundwater system of the San Luis Valley is a complex aquifer system containing a deeper confined aquifer separated from the shallower unconfined aquifer by a series of clay layers, sometimes referred to as the blue clay layer. Irrigation in the San Luis Valley is heavily dependent on conjunctive use of groundwater and surface water. The major portion of irrigation water is derived from managed recharge and pumping from unconfined-aquifer wells.

The Colorado Wildlife Commission listed the Rio Grande sucker as endangered and the Colorado Division of Wildlife has developed a recovery plan for the species within the San Luis Valley. The lack of perennial river flows, diversion structures, and water quality has restricted recovery efforts in the San Luis Valley.

Similarly, the Southwest Willow Flycatcher is a federally listed endangered species that thrives in the riparian willow habitat along the Rio Grande. Currently, the Rio Grande Water Conservation District is developing a Regional Habitat Conservation Plan to protect habitat in Colorado for this endangered species and to protect routine agricultural activities.

The water levels of the aquifer system within the Closed Basin area of the central and northern San Luis Valley are currently declining which is negatively impacting surface flows, and increasing operating and pumping costs for agricultural producers. Several local conservation districts, water conservation districts, agricultural producers have set ambitious goals to reduce consumptive use throughout Colorado's Rio Grande Watershed by 200,000 acre-feet of water per year to address water shortages in both the confined and unconfined aquifers within the Valley. Engineering work completed by Allen Davey of Davis Engineering Service, Inc., in Alamosa, Colorado suggests that only a dramatic decrease in consumptive use will allow the aquifer system to restore itself and become sustainable. The unsustainable use of water in the San Luis Valley, affecting the aquifer, the local economy, wetlands, and hydrological conditions calls for immediate and targeted actions to reverse the trend.

The Board of Directors of the Rio Grande Water Conservation District supported the formation of Special Improvement District No. 1 of the Rio Grande Water Conservation District ("Subdistrict No. 1") and the district court in Alamosa approved its creation in July of 2006. Subdistrict No. 1 consists of approximately 198,000 irrigated acres located in the San Luis Valley generally north of the Rio Grande, west of a line extending north of the City of Alamosa and extending into the southerly six to ten miles of Saguache County. County records submitted to the Court with the Petition to form Subdistrict No. 1 indicate that Subdistrict No. 1 contains 171,291 acres of sprinkler irrigated lands, 21,110 acres of surface water irrigated lands, 6,046 acres of meadow land that could be irrigated using either ground or surface water sources. Data collected from the 1998 Rio Grande Decision Support System (RGDSS) for Subdistrict No. 1 show alfalfa on approximately 45,700 acres, grass pasture on approximately 4,000 acres, potatoes on approximately 64,000 acres, small grains on approximately 55,000 acres and vegetables on approximately 5,000 acres. Subdistrict No. 1 is governed by an eleven member Board of Managers who are currently working to develop a plan of water management that will remove approximately 40,000 acres from production in Subdistrict No. 1. The Board of Managers firmly believes that the only way to encourage farmers to take land out of production is to create financial incentives. The Board of Managers determined that seeking Conservation Reserve Enhancement Program (CREP) funding in conjunction with financial incentives raised through user and service fees within the Subdistrict would be crucial to the subdistrict's success. The CREP is a Federal-State-Local partnership administered by the United States Department of Agriculture - Farm Service Agency (USDA-FSA) through the authority of the 2002 Farm Bill (Conservation Title). The CREP provides a tool that will assist producers within the sub-district to voluntarily reduce their water consumption, move toward a balance between water supply and demand, and retain a viable agricultural economy, which is so vital to the region. No other program exists that can provide the level of funding and collaborative federal-state-local partnership necessary to address the groundwater management issue so critical to the basin and the state of Colorado.

This Grant Application for SB-179 Competitive Funds is requested to provide thirty six thousand seven hundred and fifty dollars ($36,750.00) for the development of a CREP Proposal and subsequent CREP Agreement requesting enrollment of approximately 40,000 acres of irrigated cropland in the San Luis Valley of the Rio Grande Watershed in Colorado, specifically within Subdistrict No. 1. This figure includes a $1,750 administration fee to the Applicant for management of the grant.

The Rio Grande CREP Proposal will seek USDA approval to enroll and retire irrigated acres through CREP and remove irrigation from the enrolled acres. Upon completion and USDA approval of the CREP Proposal and the CREP Agreement, and upon full implementation, this project will place 40,000 acres of previously

cropped land into native vegetation and reduce water consumption within Subdistrict No. 1 by approximately 60,000 acre feet per year. A fully implemented CREP in Subdistrict No. 1 will make a substantial contribution to Subdistrict No. 1's goals of reducing consumptive use within the Closed Basin. An approved 40,000-acre CREP in Subdistrict No. 1 of the Rio Grande Upper Basin will leverage approximately sixty million ($60,000,000) federal dollars to provide cost-share, incentives, and annual rental payments to producers that enroll in the CREP program. Subdistrict No. 1, through income from assessments including service and user fees on irrigated cropland and in-kind services, will provide no more than a twenty percent contribution, in conformance with CREP standards, that will be used to provide additional incentives to participating producers and administer the CREP program. Total anticipated Federal and non-Federal cash and in-kind contributions on a fully implemented program will be approximately seventy five million ($75,000,000) dollars.

Preparing a comprehensive CREP Proposal will likely take approximately twelve months. Given the duration of the proposal process, obtaining funding in a timely manner is crucial to Subdistrict No. 1's success.

TOTAL SB 179 BASIN FUNDS REQUESTED:

Completion of CREP Proposal and Agreement	
757 hours @ $35.00 per hour	$26,000.00
Mileage	
12,860 miles @ $.485 per mile	$ 6,237.10
Per Diem	
38 days @ $30.00 per day	$ 1,140.00
Lodging	
14 nights @ 87.50	$ 1,225.00
Subtotal	$ 35,097.71
Rounded	**$35,000.00**
Administration Fee	**$ 1,750.00**

Discussion:

The application was well prepared. The applicant did a very nice job describing why this project is important from both a water resource and local basin stakeholder perspective. The application includes funding for administration of the grant. Staff believes this is within the framework of the program and is a reasonable rate for administration.

Issues/Additional Needs:

Tasks 1 and 2 have start dates prior to the review of the grant application. Cost incurred prior to contracting with the State of Colorado are not reimbursable.

Please provide additional information on the Personnel that will be undertaking the work (i.e., their qualifications and their responsibilities as they relate to the tasks).

Staff Recommendation:

Staff recommends approval of up to $36,750 to complete the Rio Grande Conservation Enhancement Program – Proposal and Agreement. Approval is contingent on successful resolution of the above issues/additional needs.

All products, data and information developed as a result of this grant must be provided to 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.