

**Water Supply Reserve Fund
Water Activity Summary Sheet
March 11-12, 2020
Agenda Item 23(m)**

Applicant & Grantee: Colorado Open Lands

Water Activity Name: Schaefer Farms Conservation Easement

Water Activity Purpose: Ag & Environmental - Implementation

County: Conejos

Drainage Basin: Rio Grande

Water Source: Conejos River

Amount Requested: \$23,284 Rio Grande Basin Account
\$209,266 Statewide Account
\$232,550 Total Request

Matching Funds: Basin Account Match = \$23,284

- 11% of statewide request (meets 10% min)

Applicant & 3rd Party Match (cash & in-kind) = \$987,900

- 472% of the statewide request (meets 10% min)

Total Match (Basin & Applicant) = \$1,011,184

- 483% of the statewide request (meets 50% min)

Staff Recommendation:
Staff recommends approval of up to \$23,284 from the Rio Grande Basin Account and up to \$209,266 from the Statewide Account to help fund the project: Schaefer Farms Conservation Easement.

Water Activity Summary: WSRF Funds, if approved will assist Colorado Open Lands to provide the remaining needed funding to purchase a conservation easements on Schaefer Farms. The 932-acre Schaeffer Farms have significant senior water rights and is part of an important agricultural corridor and part of Colorado Open Lands landscape priorities for the San Luis Valley. A conservation easement on Schaefer farms will tie its senior water rights to the property. Schaefer Farms is irrigated with senior water rights, that include: Monte Vista Canal (8 shares); Santa Maria Canal (10) and Horner-Ydren (4.2 cfs). The ranch also utilizes one high-capacity irrigation well. All of this helps ensure that the farms prime soils are protected. Prime soil is a designation given by the Natural Resources Conservation Service and is used to describe land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and that is available for these uses. It has the combination of soil properties, growing season, and moisture supply needed to produce sustained high yields of crops in an economic manner if it is treated and managed according to acceptable farming methods. In general, prime farmland has an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, an acceptable level of acidity or alkalinity, an acceptable content of salt or sodium, and few or no rocks. Its soils are permeable to water and air and produce alfalfa, canola, barley and native grass hay. This project is an important addition in preserving the agricultural landscape and the historic water use patterns along the

important Rio Grande River corridors, by reducing the threat of encroaching subdivisions this easement will maintain active wildlife corridors and ensuring the delivery of critical water resources.

Discussion: This effort will assist the Rio Grande Basin Roundtable meet their needs as identified in the Rio Grande Basin Implementation Plan, such as; Sustain the confined and unconfined aquifers in accordance with Senate Bill 04-222 and operate within the State Engineer's new Rules and Regulations for the San Luis Valley; Operate, maintain, rehabilitate, and create necessary infrastructure to meet the Basin's long-term water needs, including storage; Manage water use to sustain optimal agricultural economy through the Basin's communities; Promote water management and administrative practices that are adaptive, flexible, and responsive to optimize multiple benefits. In addition, this effort will assist Colorado's Water Plan achieve the Critical Actions called for in Chapter 10, such as; maintain agricultural viability, and support agricultural conservation and efficiency.

Issues/Additional Needs: The applicant shall submit all letters of matching commitment prior to entering into a grant contract with the state, otherwise there are no issues or additional needs.

Eligibility Requirements: The application meets requirements of all eligibility components.

Evaluation Criteria: Staff has determined this activity satisfies the Evaluation Criteria.

Funding Sources/Match	Cash	In-kind	Total	Status
Colorado Parks & Wildlife	\$165,200	\$0	\$165,200	Pending
NRCS	\$425,250	\$0	\$425,250	Pending
LOR Foundation	\$70,000	\$0	\$70,000	Secured
Landowner	\$0	\$327,450	\$337,450	Secured
Sub-total	\$660,450	\$327,450	\$987,900	
WSRF Rio Grande Basin Account	\$23,284	\$0	\$23,284	Secured
Sub-total	\$683,734	\$327,450	\$1,011,184	
WSRF Statewide Account	\$209,266	n/a	\$209,266	
Total Project Costs	\$893,000	\$327,450	\$1,220,450	

CWCB Project Manager: Craig Godbout



Craig Godbout
Colorado Water Conservation Board
1313 Sherman St., Room 718
Denver, CO 80203

Re: Conserving Working Lands and Senior Water Rights- Schaefer Farms Conservation Easement

February 18, 2020

Dear Mr. Godbout,

The Rio Grande Basin Roundtable has been actively involved in the development and now the implementation of both our Basin and the State Water Plans. To this end, the Rio Grande Basin Roundtable enthusiastically supports this application for the Water Supply Reserve Account Fund application for *Conserving Working Lands and Senior Water Rights- Schaefer Farms Conservation Easement* from Colorado Open Lands. Upon completion the project will secure some of the Basins most senior water rights, , Monte Vista Canal (8 shares); Santa Maria Canal (10) and Horner-Ydren (4.2 cfs) .. Conservation of this ranch keeps the existing hydrology intact, which ensures return flows to downstream users and the Rio Grande River system.

The total proposed cost is \$1,230,450 dollars with \$ 232,550 coming from the WSRF funding. A total of \$23,284 in basin funds and \$ 209,266 from state funds. NRCS Agricultural Land Easement Program, Colorado Parks and Wildlife, LOR Foundation and the landowner funds are contributing \$ 997,950 to the project

This project has been planned by a variety of partners who have committed not only financially to the project, but to the ethic of keeping working agriculture working in our rural communities. The Colorado Water Plan recognizes the *"the increasing pressure to dry up agriculture, as Municipal and Industrial need expands is real and that Coloradans will continue to increase their consumption of a variety of locally grown agricultural products that ranches and farms across the state provide."* The IBCC continues to work with agricultural producers and recognizes the economic benefit that agriculture brings to the state and the value the water they use provides to all Coloradans. This is the tenant of this proposal.

The Rio Grande Basin Roundtable has long recognized that in all communities the core social, political and economic institutions are supported by water and that when we protect the water rights and uses we will ensure the viability of these communities and their rich ecology, heritage and food production for generations to come. We hope that Colorado Conservation Board will help us by supporting this application.

Finally, we are lending our wholehearted support to their application. Thank you for the opportunity to comment. If you have any questions, please do not hesitate to contact me for further information.

Very Truly Yours,



Nathan Coombs
Chairman, Rio Grande Basin Roundtable



Last Update: August 3, 2017

Colorado Water Conservation Board
Water Supply Reserve Fund Grant Application

Instructions					
<p>All WSRF grant applications shall conform to the current 2016 WSRF Criteria and Guidelines.</p> <p>To receive funding from the WSRF, a proposed water activity must be approved by a Roundtable(s) AND the Colorado Water Conservation Board (CWCB). The process for Roundtable consideration and recommendation is outlined in the 2016 WSRF Criteria and Guidelines. The CWCB meets bimonthly according to the schedule on page 2 of this application.</p> <p>If you have questions, please contact the current CWCB staff Roundtable liaison:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding-bottom: 10px;"> Arkansas Ben Wade ben.wade@state.co.us 303-866-3441 x3238 </td> <td style="width: 33%; vertical-align: top; padding-bottom: 10px;"> Gunnison North Platte South Platte Yampa/White Craig Godbout craig.godbout@state.co.us 303-866-3441 x3210 </td> <td style="width: 33%; vertical-align: top; padding-bottom: 10px;"> Colorado Metro Rio Grande Southwest Megan Holcomb megan.holcomb@state.co.us 303-866-3441 x3222 </td> </tr> </table>			Arkansas Ben Wade ben.wade@state.co.us 303-866-3441 x3238	Gunnison North Platte South Platte Yampa/White Craig Godbout craig.godbout@state.co.us 303-866-3441 x3210	Colorado Metro Rio Grande Southwest Megan Holcomb megan.holcomb@state.co.us 303-866-3441 x3222
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WSRF Submittal Checklist (Required)	
X	I acknowledge this request for funding was recommended for CWCB approval by the sponsoring Basin Roundtable(s).
X	I acknowledge I have read and understand the 2016 WSRF Criteria and Guidelines .
X	I acknowledge the Grantee will be able to contract with CWCB using the Standard Contract . ⁽¹⁾
Exhibit A	
X	Statement of Work ⁽²⁾ (Word – see Exhibit A Template)
X	Budget & Schedule ⁽²⁾ (Excel Spreadsheet – see Exhibit A Template)
X	Letters of Matching and/or Pending 3 rd Party Commitments ⁽²⁾
Exhibit C	
X	Map ⁽²⁾
X	Photos/Drawings/Reports
X	Letters of Support
	Certificate of Insurance ⁽³⁾ (General, Auto, & Workers' Comp.)
Contracting Documents	
	Certificate of Good Standing ⁽³⁾
	W-9 ⁽³⁾
	Independent Contractor Form ⁽³⁾ (If applicant is individual, not company/organization)
	Electronic Funds Transfer (ETF) Form ⁽³⁾

(1) Click "Grant Agreements". For reference only/do not fill out or submit/required for contracting

(2) Required with application if applicable.

(3) Required for contracting. While optional at the time of this application, submission can expedite contracting upon CWCB Board approval.

Last Update: August 3, 2017

Schedule		
CWCB Meeting	Application Submittal Dates	Type of Request
January	December 1	Basin Account; BIP
March	February 1	Basin/Statewide Account; BIP
May	April 1	Basin Account; BIP
July	June 1	Basin Account; BIP
September	August 1	Basin/Statewide Account; BIP
November	October 1	Basin Account/BIP

Desired Timeline	
Desired CWCB Hearing Month:	March
Desired Notice to Proceed Date:	May 1, 2020

Water Activity Summary		
Name of Applicant	Colorado Open Lands	
Name of Water Activity	Conserving Working Lands and Senior Water Rights- Schaefer Farms Conservation Easement	
Approving Roundtable(s)	Basin Account Request(s) ⁽¹⁾	
Natural Resources Conservation Service (NRCS)	\$ 425,250.00	
Colorado Parks and Wildlife (CPW)	\$ 165,200.00	
LOR Foundation	\$ 70,000.00	
Landowner	\$ 337,450.00	
Basin Account Request Subtotal	\$ 23,284.00	
Statewide Account Request ⁽¹⁾	\$ 209,266.00	
Total WSRF Funds Requested (Basin & Statewide)	\$ 232,550.00	
Total Project Costs	\$ 1,230,450.00	

(1) Please indicate the amount recommended for approval by the Roundtable(s)

Amount Approved by the Rio Grande Basin Roundtable: \$232,550.00

Last Update: August 3, 2017

Grantee and Applicant Information	
Name of Grantee(s)	Colorado Open Lands
Mailing Address	623 4th Street, Alamosa, CO 81101
FEIN	84-0866211
Grantee's Organization Contact ⁽¹⁾	Judy Lopez
Position/Title	Conservation Project Manager
Email	jlopez@coloradoopenlands.org
Phone	719-580-5300
Grant Management Contact ⁽²⁾	Judy Lopez
Position/Title	Judy Lopez
Email	jlopez@coloradoopenlands.org
Phone	709-580-5300
Name of Applicant (if different than grantee)	
Mailing Address	
Position/Title	
Email	
Phone	

(1) Person with signatory authority

(2) Person responsible for creating reimbursement invoices (Invoice for Services) and corresponding with CWCB staff.

Description of Grantee
Provide a brief description of the grantee's organization (100 words or less).
<p>Colorado Open Lands is a private, 501c3 non-profit organization whose mission is to help landowners across Colorado conserve properties with outstanding natural and agricultural values. Colorado Open Lands' is a statewide land trust, whose mission is to preserve the significant open lands and natural heritage of Colorado through private and public partnerships, innovative land conservation techniques, and strategic leadership.</p> <p>Founded in 1981, COL and its partners identified key priority landscapes across the state. We work to keep properties and water together in perpetuity. Thus, protecting its many users including agriculture, municipalities, environmental, and recreationists. This project comes through our SLV Satellite office and our Conservation Program Manager, Judy Lopez.</p>

Last Update: August 3, 2017

Type of Eligible Entity (check one)	
	Public (Government): municipalities, enterprises, counties, and State of Colorado agencies. Federal agencies are encouraged to work with local entities. Federal agencies are eligible, but only if they can make a compelling case for why a local partner cannot be the grant recipient.
	Public (Districts): authorities, Title 32/special districts (conservancy, conservation, and irrigation districts), and water activity enterprises
	Private Incorporated: mutual ditch companies, homeowners associations, corporations
	Private Individuals, Partnerships, and Sole Proprietors: are eligible for funding from the Basin Accounts but not for funding from the Statewide Account.
X	Non-governmental organizations: broadly, any organization that is not part of the government
	Covered Entity: as defined in Section 37-60-126 Colorado Revised Statutes

Type of Water Activity (check one)	
	Study
X	Implementation

Category of Water Activity (check all that apply)		
X	Nonconsumptive (Environmental)	
	Nonconsumptive (Recreational)	
X	Agricultural	
	Municipal/Industrial	
	Needs Assessment	
	Education & Outreach	
	Other	Explain:

Location of Water Activity	
Please provide the general county and coordinates of the proposed activity below in decimal degrees . The Applicant shall also provide, in Exhibit C, a site map if applicable.	
County/Counties	Rio Grande
Latitude	37.2690° N
Longitude	-106.2522 W

Water Activity Overview
Please provide a summary of the proposed water activity (200 words or less). Include a description of the activity and what the WSRF funding will be used for specifically (e.g. studies, permitting, construction). Provide a description of the water supply source to be utilized or the water body affected by the activity. Include details such as acres under irrigation, types of crops irrigated, number of



Last Update: August 3, 2017

Water Activity Overview

residential and commercial taps, length of ditch improvements, length of pipe installed, area of habitat improvements. If this project addresses multiple purposes or spans multiple basins, please explain. The Applicant shall also provide, in Exhibit A, a detailed Statement of Work, Budget, and Schedule.

COL is requesting \$23,284 from the RGBRT Basin account and \$209,266 from the Statewide account for a total request of \$232,550.00. The funds will be used to provide the remaining needed funding to purchase a conservation easement on Schaefer Farms. The 932-acre Schaeffer Farms have significant senior water rights and is part of an important agricultural corridor and part of Colorado Open Lands landscape priorities for the San Luis Valley”

Like Jackson Ranch, a conservation easement on Schaefer farms will tie its senior water rights to the property. Schaefer Farms is irrigated with senior water rights, that include: Monte Vista Canal (8 shares); Santa Maria Canal (10) and Horner-Ydren (4.2 cfs). The ranch also utilizes one high-capacity irrigation well. All of this helps ensure that the farms *prime soils are protected*. Prime soil is a designation given by the Natural Resources Conservation Service and is used to describe land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and that is available for these uses.

It has the combination of soil properties, growing season, and moisture supply needed to produce sustained high yields of crops in an economic manner if it is treated and managed according to acceptable farming methods. In general, prime farmland has an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, an acceptable level of acidity or alkalinity, an acceptable content of salt or sodium, and few or no rocks. Its soils are permeable to water and air and produce alfalfa, canola, barley and native grass hay.

This project is an important addition in preserving the agricultural landscape and the historic water use patterns along the important Rio Grande River corridors, by reducing the threat of encroaching subdivisions this easement will maintain active wildlife corridors and ensuring the delivery of critical water resources.

Measurable Results

To catalog measurable results achieved with WSRF funds please provide any of the following values.

	New Storage Created (acre-feet)	
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive	
	Existing Storage Preserved or Enhanced (acre-feet)	
	Length of Stream Restored or Protected (linear feet)	
	Efficiency Savings (indicate acre-feet/year OR dollars/year)	
932 acres	Area of Restored or Preserved Habitat (acres)	
	Length of Pipe/Canal Built or Improved	
2 senior water rights	Other	2- senior water rights will remain with the property Monte Vista Canal (8 shares) and Horner-Ydren (4.2 cfs, These are some of the most senior in the Rio Grande system



Last Update: August 3, 2017

Water Activity Justification

Provide a description of how this water activity supports the goals of [Colorado's Water Plan](#), the most recent [Statewide Water Supply Initiative](#), and the respective [Roundtable Basin Implementation Plan and Education Action Plan](#) ⁽¹⁾. The Applicant is required to reference specific needs, goals, themes, or Identified Projects and Processes (IPPs), including citations (e.g. document, chapters, sections, or page numbers).

For applications that include a request for funds from the Statewide Account, the proposed water activity shall be evaluated based upon how well the proposal conforms to Colorado's Water Plan criteria for state support (CWP, Section 9.4, pp. 9-43 to 9-44;) (Also listed pp. 4-5 in [2016 WSRF Criteria and Guidelines](#)).

The conservation of the Schaefer Farms property meets the priority landscape objectives that Colorado Open Lands has defined for the San Luis Valley priority area. These objectives align with both the Rio Grande Basin and the Colorado Water Plans as follows:

Rio Grande Basin Plan:

1 - Protect, preserve, and/or restore the sustainability of the Rio Grande Basin watersheds by focusing on watershed health and ecosystem function.

2 - Protect and preserve the doctrine of prior appropriation and vested water rights, and fully utilize Colorado's compact entitlements as specified under the Rio Grande and Costilla Creek compacts.

5 - Manage water use to sustain optimal 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 recreational water needs.

10 - Promote water management and administrative practices that are adaptive, flexible, and responsive to optimize multiple benefits.

11 - Protect, preserve, and enhance terrestrial and aquatic wildlife habitats throughout the Basin.

12 - Conserve, restore, and maintain wetlands and riparian areas for the benefit of a healthy watershed.

Additionally, it was recognized in the Rio Grande Basin Implementation Plan that conservation easements work to protect the long-term viability of water. Conservation easements were also listed as critical "Projects and Method s- IPP's" that could be implemented in the Rio Grande Basin Implementation Plan.

The Colorado Water Plan recognized that a variety of adaptive management strategies would be key to ensuring Colorado's water future. This project meets them by" *minimizing the transfer of statewide agricultural acres and limiting the permanent dry up of agricultural lands and supporting lower impact alternatives*".



Last Update: August 3, 2017

Water Activity Justification

As recognized in Chapter 10 of Colorado's Water plan it will be our "**water values**" that drive our future response to growing demand.

By securing this property with a conservation easement we help meet three critical values:

1. Maintain the connectivity between water resources, safeguard wildlife corridors and increase the options for maintaining a viable agricultural industry.
2. Help to minimize the uncertainties of hydrology, as we work to meet the changing needs of our communities, farms, and ranches.
3. Safeguard wildlife corridors that promote a strong environment that includes healthy watersheds, rivers, streams, and wildlife.

This project further addresses the following measurable objectives:

Maintain Agricultural Viability: Maintain Colorado's agricultural productivity, support of rural economies, and food security (through meaningful incentives and grassroots efforts).

Enhance Environmental and Recreational Economic Values: Protect and enhance river-based environments and recreational opportunities that support local and statewide economies and are important for the enjoyment of current and future generations of Coloradans.

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(1) Access Basin Implementation Plans or Education Action Plans from Basin drop down menu.



Last Update: August 3, 2017

Matching Requirements: Basin Account Requests

Basin (only) Account grant requests require a 25% match (cash and/or in-kind) from the Applicant or 3rd party and shall be accompanied by a **letter of commitment** as described in the 2016 WSRF Criteria and Guidelines (submitted on the contributing entity's letterhead). Attach additional sheet if necessary.

Contributing Entity	Amount and Form of Match (note cash or in-kind)
Total Match	
If you requested a Waiver to the Basin Account matching requirements, indicate the percentage you wish waived.	

Matching Requirements: Statewide Account Requests

Statewide Account grant requests require a 50% match as described in the 2016 WSRF Criteria and Guidelines. A minimum of 10% match shall be from Basin Account funds (cash only). A minimum of 10% match shall be provided by the applicant or 3rd party (cash, in-kind, or combination). The remaining 30% of the required match may be provided from any other source (Basin, applicant, or 3rd party) and shall be accompanied by a **letter of commitment**. Attach additional sheet if necessary.

Contributing Entity	Amount and Form of Match (note cash or in-kind):
USDA_NRCS	\$ 425,250.00 (Cash)
CPW	\$ 165,200.00 (Cash)
LOR Foundation	\$ 70,000.00 (Cash)
Landowner	\$ 337,450.00 (In-kind)
Total Match	\$ 997,950.00
If you requested a Waiver to the Statewide Account matching, indicate % you wish waived. (Max 50% reduction of requirement).	N/A

Related Studies

Please provide a list of any related studies, including if the water activity is complimentary to or assists in the implementation of other CWCB programs.

Last Update: August 3, 2017

Related Studies

Recent research affirms the significant value of these “natural climate solutions” (NCS) to lands in the United States. A study published last November in Science Advances, assessing the potential of 21 proven “mitigation pathways” (such as reforestation and avoided grassland conversion) found they could potentially store 21% of this country’s current net CO2 emissions, while providing additional benefits, such as wildlife habitat, flood control and air and water filtration. This is one of the most important ways that conservation easement support both climate and landscapes.”

As noted in the recent *Land Saving* magazine (December 2019) “By conserving upland areas that protect aquatic resources, land trusts can help to keep local farms thriving and, in some cases, provide alternatives for farmers on non-productive land. And watershed-scale work grows more important—and more challenging—as climate disruptions like droughts and floods increase, keeping valuable open space provided by working farms and ranches serves as first defense in mitigating these changes. Further, integrating agricultural land and watershed protection, while potentially complex, often fosters exciting partnerships and builds public support for land trust work,

This project compliments the past conservation easements funded by the Colorado Water Conservation Board through the Water Supply Reserve Fund. The projects in the Rio Grande Basin were forwarded by the Rio Grande Headwaters Land Trust and their successful Rio Grande Initiative. This project compliments the findings of the Rio Grande Initiative, which outlined the ecological values of conserving lands in the San Luis Valley.

The Colorado Open Lands, South Platte River ATM & South Platte River Basin Conservation Easement Project is representative of ongoing work by Colorado Open Lands to meet Colorado’s water Gap, while continuing to meet the needs of agriculture, water managers and the environment.

Previous CWCB Grants

List all previous or current CWCB grants (including WSRF) awarded to both the Applicant and Grantee. Include: 1) Applicant name; 2) Water activity name; 3) Approving RT(s); 4) CWCB board meeting date; 5) Contract number or purchase order

Applicant: Colorado Open Lands

WSRF

Anderson Lazy EA Conservation Easement November 2017

South Platte River ATM & South Platte River Basin Conservation Easement – South Platte Basin November 2017

Implementing Public Education & Public Outreach in the Rio Grande River Basin: Education to Implementation 2016

CWP

San Luis Valley River & Aquifer Recovery & Enhancement (RARE) Partnership March 2019

Tax Payer Bill of Rights

The Tax Payer Bill of Rights (TABOR) may limit the amount of grant money an entity can receive. Please describe any relevant TABOR issues that may affect the applicant.



Last Update: August 3, 2017

None Anticipated



Last Update: November 29, 2017

Colorado Water Conservation Board	
Water Supply Reserve Fund	
Exhibit A - Statement of Work	
Date: (include all edit date)	1/07/20
Water Activity Name:	Conserving Working Lands and Senior Water Rights- Schaefer Farms Conservation Easement
Grant Recipient:	Colorado Open Lands
Funding Source:	WSRF -Rio Grande Basin Roundtable Basin Account
Water Activity Overview: (Please provide brief description of the proposed water activity (no more than 200 words). Include a description of the overall water activity and specifically what the WSRF funding will be used for.	
<p>COL is requesting \$23,284 from the RGBRT Basin account and \$209,266 from the Statewide account for a total request of \$232,550.00. The funds will be used to provide the remaining needed funding to to purchase a conservation easement on Schaefer Farms. The 932-acre Schaeffer Farms have significant senior water rights and is part of an important agricultural corridor and part of Colorado Open Lands landscape priorities for the San Luis Valley"</p> <p>Like Jackson Ranch, a conservation easement on Schaefer farms will tie its senior water rights to the property. Schaefer Farms is irrigated with senior water rights, that include: Monte Vista Canal (8 shares); Santa Maria Canal (10) and Horner-Ydren (4.2 cfs). The ranch also utilizes one high-capacity irrigation well. All of this helps ensure that the farms <i>prime soils are protected</i>. Prime soil is a designation given by the Natural Resources Conservation Service and is used to describe land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and that is available for these uses.</p> <p>It has the combination of soil properties, growing season, and moisture supply needed to produce sustained high yields of crops in an economic manner if it is treated and managed according to acceptable farming methods. In general, prime farmland has an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, an acceptable level of acidity or alkalinity, an acceptable content of salt or sodium, and few or no rocks. Its soils are permeable to water and air and produce alfalfa, canola, barley and native grass hay.</p> <p>This project is an important addition in preserving the agricultural landscape and the historic water use patterns along the important Rio Grande River corridors, by reducing the threat of encroaching subdivisions this easement will maintain active wildlife corridors and ensuring the delivery of critical water resources.</p>	



Last Update: November 29, 2017

Objectives: (List the objectives of the project)

The objective of this project is to place a conservation easement on the Schafer Farm property. This includes the completion of all due diligence item to include: a certified appraisal, baseline report, survey, title work, water, mineral and environmental evaluation, and deed development.

Implementation of Conservation easement on Schaeffer Farms in Rio Grande will ensure that the existing hydrology remains intact allowing return flows to reach downstream users and the river by tying senior water rights to the land. Additionally, the completion of this project will prevent sub-division of these historical agriculture property's, keep the opportunity to work with subdistricts and water managers open while ensuring the water remains in the SLV. Additionally, they will maintain key wildlife corridors.

Tasks

Provide a detailed description of each task using the following format:

Task 1 – Implementation of a Conservation Easement

Description of Task:

COL will work with the landowner and NRCS, CPW and CWCB to draft a conservation easement encumbering the property in perpetuity. The conservation easement will prohibit future non-agricultural development of the property, while permitting flexible use of water resources associated with the property. The landowner will have the option to work with water managers in the San Luis Valley, while still ensuring that the conservation values remain intact. COL will work with the landowner to insure that all guidelines of the deed and funders are met and that the conservation values are protected. However, the conservation easement will prohibit the permanent separation of the associated water rights from the property. Through funding from NRCS, CWCB, CPW and a partial donation by the landowner, COL will ultimately acquire a conservation easement on the Schaefer Farm and Jackson Ranch properties. COL will monitor the projects annually to ensure compliance with the terms of the conservation easement in perpetuity.

Method/Procedure:

This task will involve the following:

1. Negotiate terms of each deed of the conservation easement with property owner that provide flexibility for water-sharing.
2. Meet with stakeholders to discuss farm operations plan and water-sharing; secure conservation easement language approval.
3. Review due diligence in advance of closing on conservation easement (Baseline Report, Appraisal, Phase I Environmental Report, Title Work, Geologist Report).
4. Complete conveyance of conservation easement from landowner to COL.



Last Update: November 29, 2017

Tasks
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
Recorded Conservation Easement on the Schaefer Farms property.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Upon completion of this project Colorado Open Lands will provide CWCB a final report summarizing the transaction. This will include all due diligence documents and a copy of the recorded deed of conservation easement and photos.

Tasks
Provide a detailed description of each task using the following format:
<u>Task 2 – Implementation of all due diligence</u>
Description of Task:
COL will work with the landowner and NRCS, GOCO, CPW and CWCB to draft a conservation easement encumbering the property in perpetuity. Through funding from NRCS, GCO, CPW and a partial donation by the landowner, COL will ultimately acquire a conservation easement on the Schaefer Farm property. To complete this process COL will perform all due diligence in advance of closing on the Schaefer Farms conservation easement (Baseline Report, Appraisal, Phase I Environmental Report, Title Work, Geologist Report). COL will monitor the projects annually to ensure compliance with the terms of the conservation easement in perpetuity
Method/Procedure:
This task will involve the following: 1. Contract and review all due diligence in advance of closing on conservation easement (Baseline Report, Appraisal, Phase I Environmental Report, Title Work, Geologist Report and Survey). 2. Complete conveyance of conservation easement from landowner to COL.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
Ensure that all due diligence required for the placement of the easement meets all local, state and federal guidelines. To ensure that upon completion of this project Colorado Open Lands will provide CWCB a final report summarizing the transaction. This will include all due diligence documents and a copy of the recorded deed of conservation easement and photos.

Tasks
<u>Task 3 – Administration of a Conservation Easement</u>
Description of Task:



Last Update: November 29, 2017

Tasks

COL will work with the landowner, due diligence contractors and funders to ensure that all due diligence is completed and meets all of the Federal, State and local guidelines. Further, COL will draft a conservation easement encumbering the property in perpetuity. The conservation easements will prohibit future non-agricultural development of the property, while permitting limited sharing of the water associated with the property with water managers under the guidance of the deed terms and COL staff. At no time will this water sharing be allowed to inhibit or damage the conservation values set forth in the deed of Conservation Easement as approved by all parties to the transaction. However, the conservation easement will prohibit the permanent separation of the associated water rights from the property. Additionally, COL will monitor the projects annually to ensure compliance with the terms of the conservation easement in perpetuity

Method/Procedure:

This task will involve the following:

1. Contract and review due diligence in advance of closing on conservation easement (Baseline Report, Appraisal, Phase I Environmental Report, Title Work, Geologist Report).
2. Negotiate terms of each deed of the conservation easement with property owner that provide flexibility for water-sharing.
3. Meet with stakeholder to discuss farm operations plan and water-sharing; secure conservation easement language approval.
4. Complete conveyance of conservation easement from landowner to COL.
5. Annual monitoring of the property in perpetuity.

Grantee Deliverable: (Describe the deliverable the grantee expects from this task)

Approved due diligence and recorded Deed of Conservation Easement.

CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)

Upon completion of this project Colorado Open Lands will provide CWCB a final report summarizing the transaction. This will include all due diligence documents and a copy of the recorded deed of conservation easement and photos.

Budget and Schedule

Exhibit B - Budget and Schedule: This Statement of Work shall be accompanied by a combined [Budget and Schedule](#) that reflects the Tasks identified in the Statement of Work and shall be submitted to CWCB in excel format.

Reporting Requirements



Last Update: November 29, 2017

Reporting Requirements

Reporting: The grantee shall provide their respective Roundtable(s) and the CWCB a Progress Report every 6 months, beginning from the date of executed contract. The Progress Report shall describe the status of the water activity, the completion or partial completion of the tasks identified in the Statement of Work – Exhibit A including a description of any major issues that have occurred and any corrective action to address these issues. The CWCB may withhold reimbursement until satisfactory Progress Reports have been submitted.

Final Deliverable: At the completion of the water activity, the grantee shall provide their respective Roundtable(s) and the CWCB a final report on the grantee's letterhead that:

- Summarizes the water activity and how the water activity was completed
- Describes any obstacles encountered, and how these obstacles were overcome
- Explains the Proposed Budget versus the Actual Budget
- Confirms that all matching commitments have been fulfilled
- Includes photographs, summaries of meeting and engineering reports/design, if appropriate

The CWCB will pay the last 10% of the entire water activity budget when the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the water activity and purchase order or contract will be closed without any further payment. Any entity that fails to complete a satisfactory Final Report and submit to CWCB within 90 days of the expiration of a purchase order or contract may be denied consideration for future funding of any type from CWCB.

Last Update: July 31, 2018



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

Colorado Water Conservation Board

Water Supply Reserve Fund

EXHIBIT B - BUDGET AND SCHEDULE - Direct & Indirect (Administrative) Costs

Date: January 1, 2020

Water Activity Name: Securing Water Rights in The San Luis Valley Schaefer Farms Conservation Easement

Grantee Name: Colorado Open Lands

<u>Task No.</u> ⁽¹⁾	<u>Description</u>	<u>Start Date</u> ⁽²⁾	<u>End Date</u>	<u>Matching Funds (cash & in-kind)</u> ⁽³⁾	<u>WSRF Funds (Basin & Statewide combined)</u> ³	<u>Total</u>
1	Easement Acquisition	6/15/20	12/15/20	\$943,950	\$190,050.00	\$1,134,000
2	Due Dilligence	6/15/20	12/15/20	\$43,950	\$30,000	\$73,950
3	Administration	6/15/20	12/15/20	\$10,000	\$12,500	\$22,500
						\$0
						\$0
Total				\$997,900	\$232,550	\$1,230,450

The single task that include costs for Grant Administration must provide a labor breakdown (see Indirect Costs tab below) where the total WSRF Grant contribution towards that task does not exceed 15% of the total WSRF Grant amount.

Round values up to the nearest hundred dollars.

Additional documentation providing a Detailed/Itemized Budget may be required for contracting. Applicants are encouraged to coordinate with the CWCB Project Manager to determine specifics.

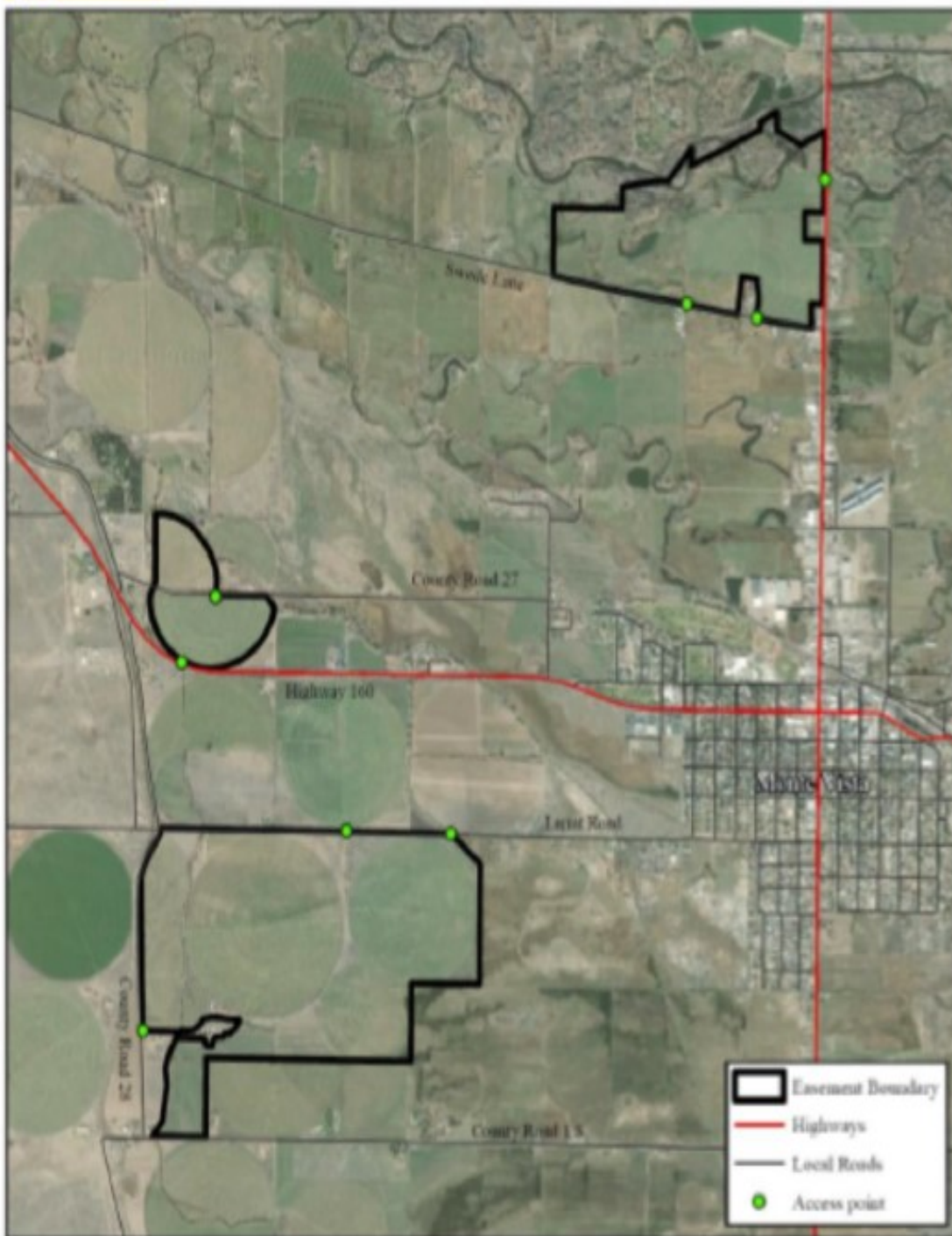
The CWCB will pay the last 10% of the entire water activity budget when the Final Report is completed to the satisfaction of the CWCB staff project manager. Once the Final Report has been accepted, the final payment has been issued, the water activity and purchase order (PO) or contract will be closed without any futher payment. Any entity that fails to complete a satisfactory Final Report and submit to the CWCB with 90 days of the expiration of the PO or contract may be denied consideration for future funding of any type from the CWCB.

Additonally, the applicant shall provide a progress report every 6 months, beginning from the date of contract execution

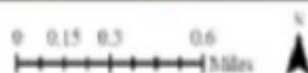


SCHAEFER FARMS (900 ACRES) - PROPERTY MAP

RIO GRANDE COUNTY

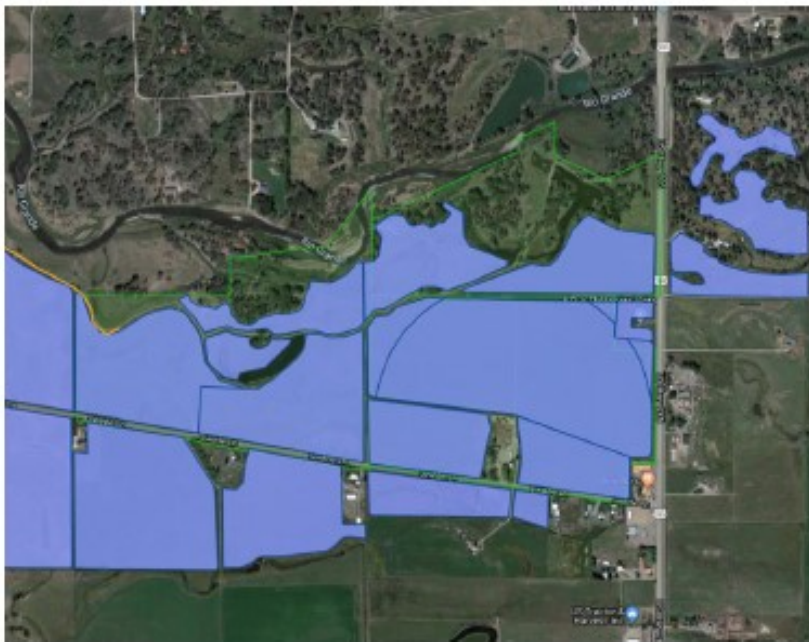


Prepared: Colorado Open Lands Date: 05/21/2019 Data source: CDOT, COLE
Public Access should not be inferred from this map. This map is not a survey and should not be construed as one.



Schaefer Farms: Irrigated Lands River Corridor Map

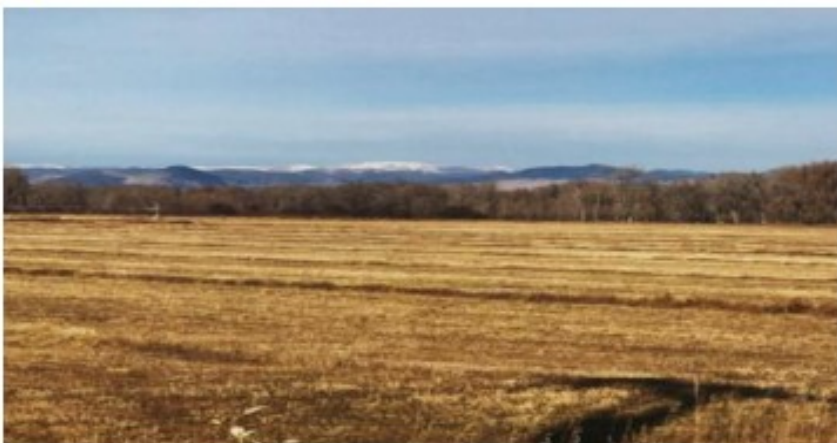
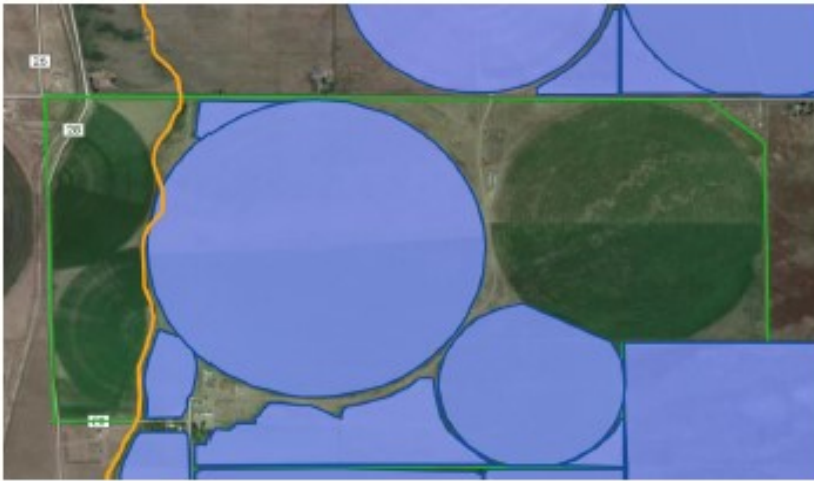
North Parcel



Middle Parcel



South Parcel



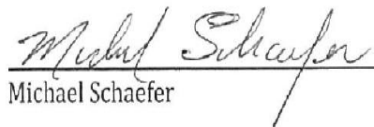
Megan Holcomb
Colorado Water Conservation Board
1313 Sherman St., Room 718
Denver, CO 80203

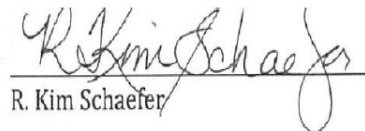
January 28, 2020


Dear Ms. Holcomb,

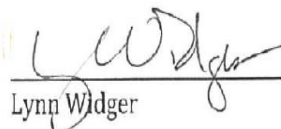
Colorado Open Lands is pleased that the landowners Michael and R Kim Schaefer, Glenda Archer, and Lynn Widger are choosing to conserve their 5th generation agricultural property in Rio Grande County Colorado. The valuable 932-acre property plays an important role in insuring the sustainability of this productive agricultural corridor.

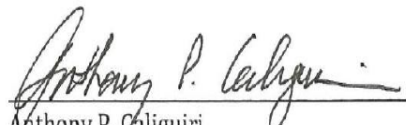
The Jackson further understand that in placing the conservation Easement they will be donating \$283,500 of land value and paying \$43,950.00 in due diligence expenses to place the conservation easement.


Michael Schaefer


R. Kim Schaefer


Glenda Archer


Lynn Widger


Anthony P. Caliguiri
President and CEO
Colorado Open Lands

SAN LUIS VALLEY CONSERVATION FUND

COLORADO OPEN LANDS LOR  FOUNDATION



RIO GRANDE
HEADWATERS LAND TRUST



WESTERN RIVERS
CONSERVANCY

April 22, 2019

Tony Caligiuri, President and CEO
Judy Lopez, Conservation Project Manager
Colorado Open Lands
355 South Teller Street, Suite 210
Lakewood, CO 80226

Dear Tony and Judy:

Congratulations! I am pleased to report that the partners in the San Luis Valley Conservation Fund (SLVCF) have approved Colorado Open Lands' capital request, as described and electronically transmitted on April 12, 2019.

The funds are to be utilized as follows.

- o Jackson Ranch: \$70,000 for purchase of a conservation easement.
- o Three Schaefers Farm: \$70,000 for purchase of a conservation easement.

The conditions of the grant are as follows.

- o Grant funds will be delivered to escrow at closing. Please provide the SLVCF at least five days' notice prior to the closing.
- o If capital is not used for its intended purpose and the funds are returned, COL shall return the capital to the SLVCF.
- o If capital is recovered upon sale of a property to a long-term steward, COL shall dedicate the net grant proceeds to the project.
- o COL will keep all partners apprised of the status of this project and these funds by providing a short written update to WRC for reporting purposes by, 6/20/2019 and on a semi-annual basis until the lands are placed into permanent conservation management.

Per the terms of the September 21, 2015 grant agreement with the LOR Foundation, Western Rivers Conservancy will report on the use of the funds in its annual narrative and financial report.

Sincerely,



Anne Tattam, Grants Manager
San Luis Valley Conservation Fund