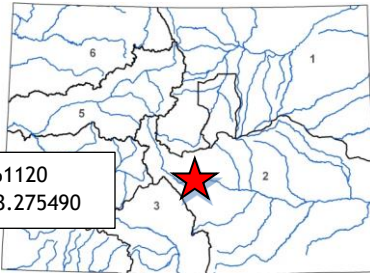




Water Plan Grant Program Application

September 2023 Board Meeting



Lat: 38.061120
Long: -103.275490

L O C A T I O N	
County/Countries:	Bent
Drainage Basin:	Arkansas

D E T A I L S	
Total Project Cost:	\$289,150.00
Agricultural Program Request:	\$216,862.50
Recommended amount:	\$0.00
Other Funding Amount:	\$0.00
Applicant Match:	\$72,287.50
Project Type(s):	Planning
Project Category(Categories):	Agricultural
Measurable Result:	3,750 AF of shared water made available to municipal/industrial and agricultural users through a collaborative water sharing agreement.

In the 1980's, the Public Service Company of Colorado ("Xcel") purchased approximately 75% of the Las Animas Consolidated and Consolidated Extension Canals ("LAC") to be used for a coal-fired power plant and changed the use of these rights to include all beneficial uses (case number 2-80CW52). Through this change case, approximately 12,500 acre-feet of historical consumptive use water was assigned to the changed water rights. Xcel never built the power plant and has since leased the water back to the farmers on a year-to-year basis. This project will bring those water rights into a perpetual lease agreement providing the farmers with secure water rights and renewed capability for long-term planning on their farms.

Western Water Partnerships, in partnership with RRG Capital Management, is working with a diverse group of stakeholders to build the LAC Water-Sharing Program ("Program") through a collaborative process involving Xcel, the farmers, Palmer Land Conservancy, and other prospective end-users representing municipal, industrial, agricultural, environmental, and recreational interests. The Program seeks to create certainty for the farmers by tying water back to the land in perpetuity. This group of stakeholders has developed a non-binding Memorandum of Understanding to help guide their efforts and provide consensus on long-term water rights use.

The proposed water-sharing program contemplated herein seeks to create certainty for the farmers by tying water back to the land in perpetuity. The LAC Water-Sharing program entity will purchase the water from Xcel Energy and lease said water in perpetuity to the LAC farmers and municipal water purveyor(s) at a ratio of 7(farmers):3(Municipal) respectively. The funding required to purchase the water and cover ongoing operating expenses shall be paid exclusively by the Program Entity through its water lease fees.

The specific objective of this Water Plan Grant application is to answer key legal and technical questions prior to establishing the water-sharing entity. This includes the identification of water sources, analysis of internal ditch operations under water-sharing program, high level legal information analysis, an infrastructure needs assessment, development of the water-sharing program organization's structure and governance, a conservation easement legal analysis, and the analysis of Bent County 1041 regulations. This application will *not* include water court fees or expenses. Matching funds are being provided by a private philanthropic organization.

Funding Recommendation: Staff is not recommending this project for funding at this time but has requested that the applicant reapply once the prospective entity's stakeholder list is more complete.



Colorado Water Conservation Board

Water Plan

Water Project Summary

Name of Applicant	Western Water Partnerships
Name of Water Project	Las Animas Consolidated Water-Sharing Program
Grant Request Amount	\$216,862.50
Primary Category	\$216,862.50
<i>Agricultural Projects</i>	
Total Applicant Match	\$72,287.50
<i>Applicant Cash Match</i>	\$36,143.75
<i>Applicant In-Kind Match</i>	\$36,143.75
Total Other Sources of Funding	\$0.00
<i>Philanthropic office(s)</i>	\$0.00
Total Project Cost	\$289,150.00

Applicant & Grantee Information

Name of Grantee: Western Water Partnerships
Mailing Address: 1001 BANNOCK STREET Denver CO 80204
FEIN: 475,108,082

Organization Contact: Todd Doherty
Position/Title: President Email: todd.doherty@westernwaterpartnerships.com
Phone: (303) 518-4741

Grant Management Contact: Todd Doherty
Position/Title: President Email: todd.doherty@westernwaterpartnerships.com
Phone: (303) 518-4741

Description of Grantee/Applicant

Western Water Partnerships is a Colorado Public Benefit Corporation with a mission to preserve irrigated agriculture through collaborative water-sharing agreements.

Type of Eligible Entity

- ☐ Public (Government)
- ☐ Public (District)
- ☐ Public (Municipality)
- ☐ Ditch Company
- ☒ Private Incorporated
- ☐ Private Individual, Partnership, or Sole Proprietor
- ☐ Non-governmental Organization
- ☐ Covered Entity
- ☐ Other

Category of Water Project

- ☒ Agricultural Projects
Developing communications materials that specifically work with and educate the agricultural community on headwater restoration, identifying the state of the science of this type of work to assist agricultural users among others.
- ☐ Conservation & Land Use Planning
Activities and projects that implement long-term strategies for conservation, land use, and drought planning.
- ☐ Engagement & Innovation Activities
Activities and projects that support water education, outreach, and innovation efforts. Please fill out the Supplemental Application on the website.
- ☐ Watershed Restoration & Recreation
Projects that promote watershed health, environmental health, and recreation.
- ☐ Water Storage & Supply
Projects that facilitate the development of additional storage, artificial aquifer recharge, and dredging existing reservoirs to restore the reservoirs' full decreed capacity and Multi-beneficial projects and those projects identified in basin implementation plans to address the water supply and demand gap.

Location of Water Project

Latitude	38.061120
Longitude	-103.275490
Lat Long Flag	Ditch diversion structure location: Coordinates based on ditch's diversion structure
Water Source	Arkansas River
Basins	Arkansas
Counties	Bent
Districts	17-Arkansas: Fowler to Las Animas

Water Project Overview

Major Water Use Type	Agricultural
Type of Water Project	Planning
Scheduled Start Date - Design	11/1/2023
Scheduled Start Date - Construction	9/29/2023
Description	<p>In the 1980s, the Public Service Company of Colorado ("Xcel") purchased approximately 75% of the Las Animas Consolidated and Consolidated Extension Canals ("LAC") to be used for a coal-fired power plant and changed the use of these rights to include all beneficial uses in case number 2-80CW52. Through this change case, approximately 12,500 acre-feet of historical consumptive use water were assigned to the changed water rights. Xcel never built the power plant and for the past approximately 30 years has leased the water back to the farmers on a year-to-year basis. With the changed water legally severed from the ditch, a majority of farmers irrigating under the LAC do not have a secure and sustainable water supply and are instead dependent each year on the hope of renewing their annual water lease agreements.</p> <p>Western Water Partnerships, in association with RRG Capital Management, is working with a diverse group of stakeholders to build the LAC Water-Sharing Program through a collaborative process involving Xcel, the farmers, Palmer Land Conservancy, and other prospective end-users including municipal, industrial, agricultural, environmental, and recreational interests.</p>

The proposed water-sharing program contemplated herein seeks to create certainty for the farmers by tying water back to the land in perpetuity. The program entity will purchase the Water from Xcel Energy and lease said Water in perpetuity to the LAC farmers and municipal water purveyor(s) at a ratio of 7(farmers):3(Municipal) respectively. The funding required to purchase the Water and cover ongoing operating expenses shall be paid exclusively by the Program Entity through its water lease fees.

The Program seeks to create certainty for the farmers by tying water back to the land in perpetuity. Specifically, through the LAC Water-Sharing Program, we aim to achieve the following goals:

1. provide LAC farmers with a secure and sustainable water supply tied to their respective lands at attractive prices.
2. place the ownership of the Water in a neutral not-for-profit entity legally bound to protect the interests of its agricultural and municipal members alike, in perpetuity.
3. provide a sustainable and reliable water supply to meet the State's current and future municipal, industrial, and agricultural needs through water-sharing agreements as recommended by the Colorado Water Plan.
4. be governed by the Program Entity's constitution and a board of stakeholders.
5. be administered by a mutually agreed party.
6. be funded through a combination of philanthropic capital, low-interest loans, grants, and program-related investments.
7. be affiliated with high-quality counterparties to bolster the progression and success of the LAC water-sharing program.
8. be economically self-sustained through annual water fees; and
9. provide capital reserves to achieve socially responsible objectives.

Measurable Results

	New Storage Created (acre-feet)
	New Annual Water Supplies Developed or Conserved (acre-feet), Consumptive or Nonconsumptive
	Existing Storage Preserved or Enhanced (acre-feet)
	New Storage Created (acre-feet)
	Length of Stream Restored or Protected (linear feet)
	Length of Pipe, Canal Built or Improved (linear feet)
	Efficiency Savings (dollars/year)
	Efficiency Savings (acre-feet/year)
	Area of Restored or Preserved Habitat (acres)
3,750	Quantity of Water Shared through Alternative Transfer Mechanisms or water sharing agreement (acre-feet)
	Number of Coloradans Impacted by Incorporating Water-Saving Actions into Land Use Planning
	Number of Coloradans Impacted by Engagement Activity

Other

The Las Animas Consolidated Water-Sharing Program will involve at least 12,500 AF of HCU water. The 3,750 AF identified above is 30% of the 12,500 AF available for the CWSA.

Water Project Justification

The recent update to the Colorado Water Plan identifies Collaborative Water Sharing Projects as an important tool to maintain agricultural productivity that also benefits municipal, environmental, and recreational users. Section 2.3 calls for the expansion of the scale of CWSAs in size or amount of water involved, building, and fostering relationships with different interests. This project does just that.

This project is significant in scale, involving between 12,500 – 16,500 acre-feet of water for participation in a water-sharing program involving multiple sectors (agriculture, municipal/industrial, recreation, environmental). It is

envisioned that approximately 3,750 to 4,950 acre-feet of HCU water (or 30% of the total water) will be involved in a CWSA. If successful, the LAC Program will be the largest, perpetual CWSA implemented in Colorado. It is hoped that our approach of building the LAC Program from the “ground up” through a diverse stakeholder group is a model that can be replicated for other, future CWSAs. If implemented, the Program will improve water supply reliability (e.g., reducing conflict over water resource management, increasing resilience to drought, help to sustain agriculture under the Las Animas ditch systems, and preserve (and hopefully improve) the rural economy in Bent County.

The water-sharing program will utilize a blended funding model consisting of low-interest philanthropic capital (i.e., Philanthropic capital, CWCB loans/grants, and/or Program Related Investments).

Related Studies

- Saving water to save the farm (2018)
- ATM status report (2016)
- Little Thompson Farm Completion Report
- 2023 Colorado Water Plan Update
- Arkansas Basin Roundtable Implementation Plan

Taxpayer Bill of Rights

No TABOR issues.