



**Economic Development Impacts**  
**February 7, 2022**





**RWR** RENEWABLE  
WATER  
RESOURCES



# RWR's Community Investments

- Creation of a **\$50 million Community Fund**
  - The fund equates to injecting **\$3 million to \$4 million** annually into the SLV economy.
  - In comparison, the annual budget of the Saguache County where the project is located is roughly \$4 million.
  - Fund administered by the local community, who will also determine fund uses.
  - Uses could include education, economic development, conservation, senior services, assistance to First Responders, and other essential community services. This will create economic diversification and a more robust, wealthier, year-round SLV economy
- RWR will invest at least **\$68 million** in local farms and ranches to ensure its “One for One Plus” commitment.
  - This investment equates to **3 to 4 times the market rate** for water.
  - All sales by area farmers and ranchers are **100% voluntary**.



# RWR's Community Impact

- The San Luis Valley is in need of investment
  - San Luis Valley counties are among the most impoverished in Colorado. — **U.S. Census Bureau's American Community Survey**
  - The San Luis Valley ranks as one of Colorado's most economically-disadvantaged communities where the average family income is less than **\$24,000**.
  - **43%** of San Luis Valley residents live at or below the federal poverty level.
  - **More than 60 percent** of residents in the San Luis Valley feel the Valley is not headed in the right direction. — **Magellan Strategies Fall 2020**
  - According to the latest Census, as it has for the past decade, population is falling on the Eastern Plains and in the San Luis Valley and growing along the urban Front Range, especially in Adams, Douglas, Larimer and Weld counties. — **Colorado Sun**



# RWR's Economic Impact

- The San Luis Valley is in need of investment
  - COVID-19 has had an effect on the economy of the San Luis Valley this year. Unemployment in the Valley, and Colorado, is running higher than in 2019. Alamosa (5.8%) and Conejos (5.2%) counties have unemployment rates lower than the state of Colorado (6.2%). Rates for other counties in the Valley run above the state's unemployment rate from 6.9% in Saguache County: 6.7% in Mineral County, the region's least populous; 6.5 % in Rio Grande County. — **San Luis Valley Development Resources Group**
  - Higher unemployment indicates the regional economy is under stress from the effects of the coronavirus. — **San Luis Valley Development Resources Group**
  - Most businesses surveyed received financial assistance from federal or local programs such as the Paycheck Protection Program, the Small Business Administration's Economic Injury Disaster Loan program, or local grants and loan. — **San Luis Valley Development Resources Group**

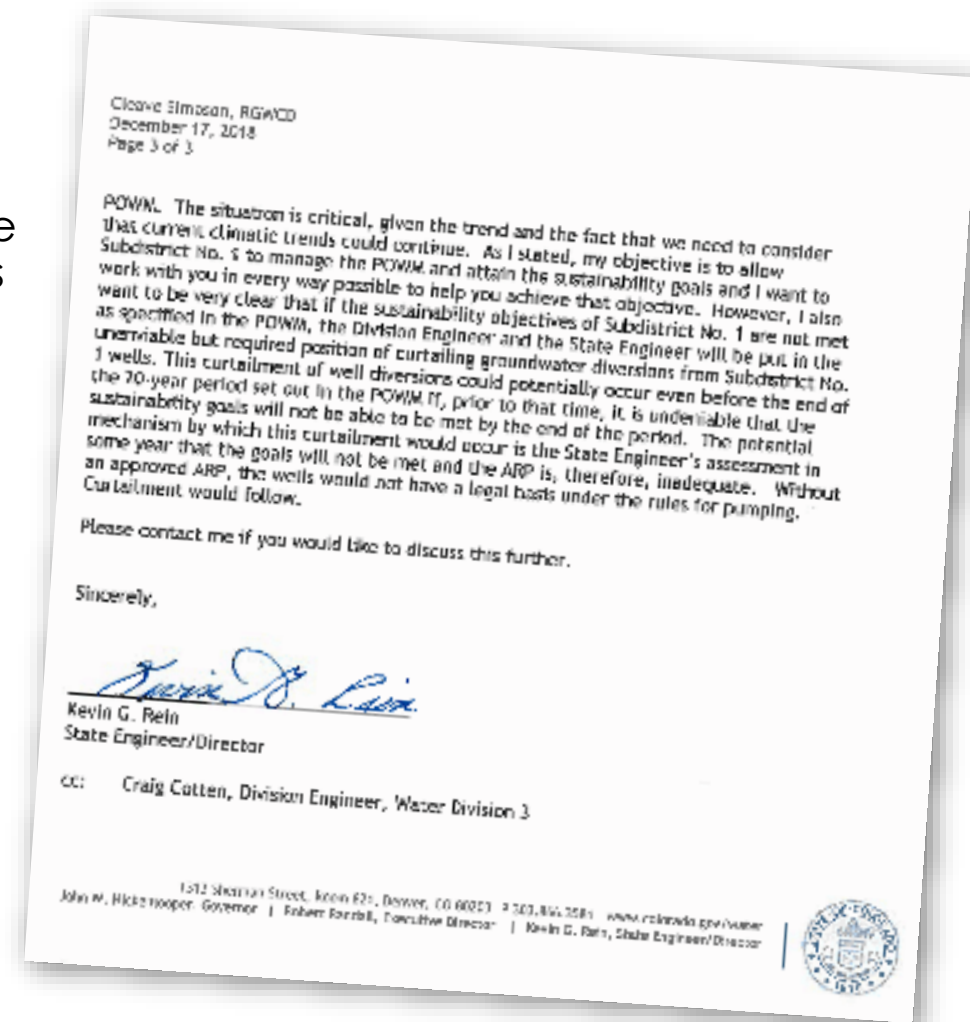


# RWR's Economic Impact

- The San Luis Valley is in need of economic diversification
    - Agriculture is the Valley's main economic driver
      - The San Luis Valley “is based 100 percent on irrigated agriculture from a water supply that doesn't exist anymore,” he {Cleave Simpson} said.
      - Since the return on investment in agriculture is relatively small and uncertain, Simpson worries about sustaining his farming career in the valley.
      - “I'm confident my farm wouldn't be profitable if I had to pay for my own water,” Simpson said in 2018
      - Farmers in Sub District #1 began paying fee's to pump in 2019. The slogan “Tax and Dry” is now used in Sub District #1
      - The valley has enough water from the Rio Grande to irrigate 400,000 acres. However, the valley has 500,000 acres of agricultural land. That means 100,000 acres may have to be taken out of production
- **Cleave Simpson, Colorado College, Nov. 7, 2018**

# RWR's Economic Impact

- Rein said drastic steps, like drying up more fields and sharply limiting how much growers can pump, are needed. But this could result in bankruptcies and could cripple the valley's \$370 million agriculture economy, which employs the majority of workers in the region. Worse still, though, would be the shutdown of all wells in the region, which is what could occur if farmers aren't able to make progress toward aquifer sustainability. — **Water Education Colorado, Aug. 5, 2020**
- While the deadline to restore the aquifer is set for 2031, if it becomes clear before then that growers aren't able to restore groundwater levels, Rein will be forced to take action early by turning off all wells. — **Rio Grande State of the Basin 7-28-20**
- According to state water engineers, San Luis Valley agriculture accounts for 810,000 acre feet of consumptive water use per year. By contrast, Denver Water needs only 247,000 acre feet of water to supply the 1.3 million people within its city and suburban service boundaries. In other words, metro Denver requires only one third as much water as the San Luis Valley to produce a gross domestic product 60 times greater – a \$202 billion annual economy vs. a \$3.3 billion economy. — **Colorado Sun, Aug. 29, 2021**





# Environmental Impacts



Photo courtesy of Saguache County Tourism

- Does not take any new water out of the system. In fact, it puts water back into the area's stressed streams and the unconfined aquifer
- Replenishes and put water back into the area's stressed streams - aiding birds, fish, and plant life
- Helps the SLV meet its legal obligation to bring balance to the Rio Grande Water Basin
- Adding over 3,000 acres of protected Elk habitat
- Pipeline restricted to 22,000 AF of capacity



# Summary

- This is groundbreaking in Colorado history a true win – win for both communities.
- RWR is a Colorado team, who live and work in the San Luis Valley and Douglas County.
- We have held over 200 meetings with residents of the San Luis Valley to gather feedback from locals; and put their desires and vision into the plan.
- \$50 million community fund and a \$68 million investment to local farmers and ranchers is testament to the creation of a fair proposal, done the right way for the right reasons.







THANK YOU

**RWR**

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