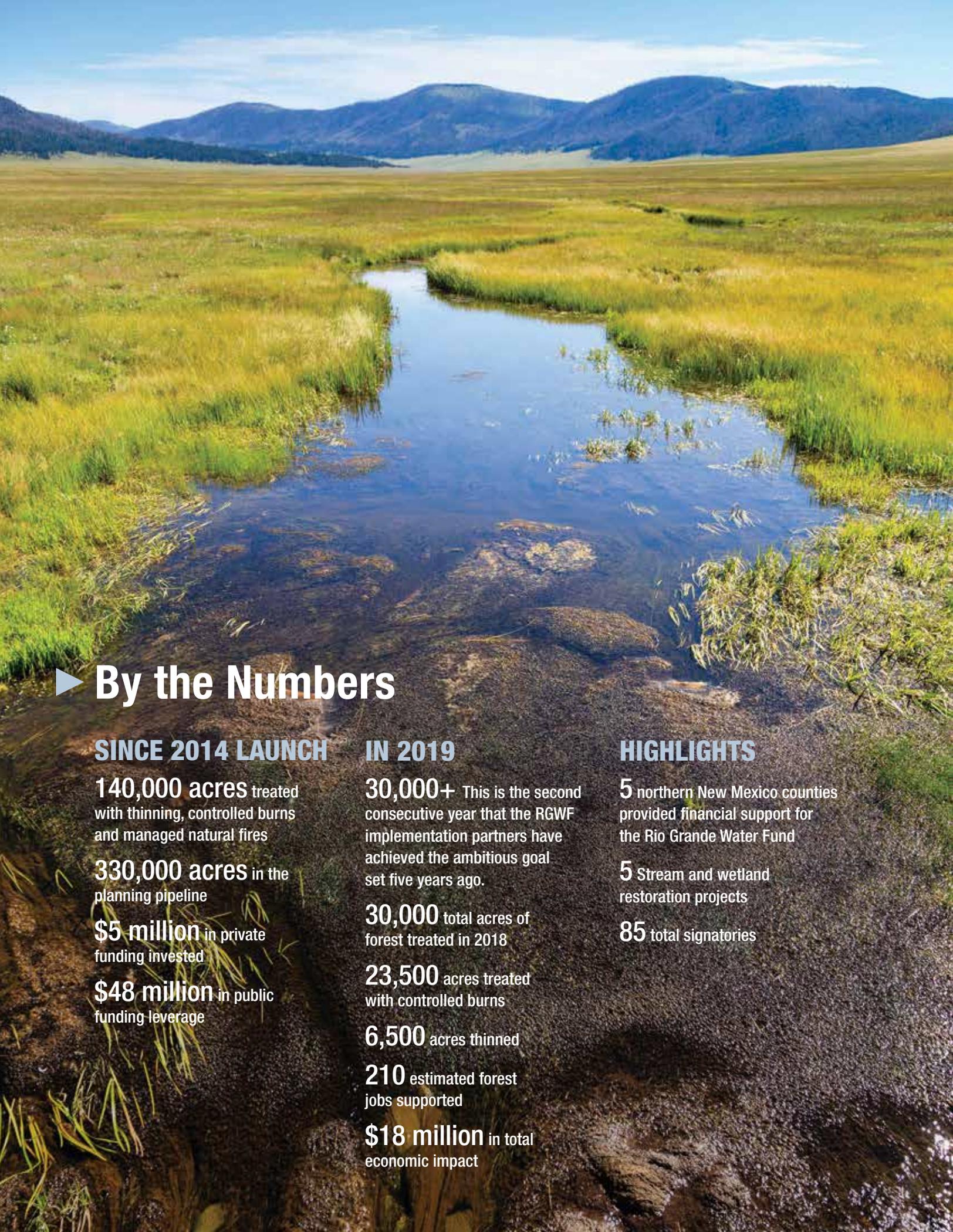




**RIO GRANDE WATER FUND
WILDFIRE AND WATER
SOURCE PROTECTION**



▶ **ANNUAL REPORT 2019**



► By the Numbers

SINCE 2014 LAUNCH

140,000 acres treated with thinning, controlled burns and managed natural fires

330,000 acres in the planning pipeline

\$5 million in private funding invested

\$48 million in public funding leverage

IN 2019

30,000+ This is the second consecutive year that the RGWF implementation partners have achieved the ambitious goal set five years ago.

30,000 total acres of forest treated in 2018

23,500 acres treated with controlled burns

6,500 acres thinned

210 estimated forest jobs supported

\$18 million in total economic impact

HIGHLIGHTS

5 northern New Mexico counties provided financial support for the Rio Grande Water Fund

5 Stream and wetland restoration projects

85 total signatories

► MESSAGE FROM THE EXECUTIVE COMMITTEE

It's hard to believe the Rio Grande Water Fund was launched five years ago to achieve the vision of healthy forests and watersheds that provide a reliable supply of high-quality Rio Grande water and other benefits for New Mexico. Thanks to you, we are realizing this vision and accomplishing the goal we set forth to protect storage, delivery and quality of Rio Grande water through landscape-scale forest restoration treatments, stream, wetland and aquatic restoration work, and now, the additional tool of reforestation.

Today, the Rio Grande Water Fund includes more than 80 partner entities working together to restore 30,000 acres of forested watershed annually — a 1000% increase since 2014. And, for every private dollar raised to support this effort, \$10 in public funding is leveraged and invested in on-the-ground projects. Beyond our state borders, the Water Fund is serving as a model for other western communities and in countries such as India and South Africa.

Additionally, we had a big win in early 2019 when the New Mexico State Legislature unanimously passed House Bill 266, which was signed into law by Governor Lujan-Grisham. This bill annually sets aside \$2 million in recurring funding for forest and watershed restoration projects in the state.

Your financial investments and contributions of time and creative conservation ideas are making a difference in New Mexico now and for the generations that follow. We look forward to our continued work together over the next five years!

With gratitude,
Executive Committee of the Rio Grande Water Fund

EXECUTIVE COMMITTEE

Jake Caldwell, LOR Foundation
Rick Carpenter, Santa Fe Water Division
Dale Dekker, Dekker/Perich/Sabatini
Paula Garcia, New Mexico Acequia Association
Martin Haynes, Business Water Task Force
Cal Joyner, USDA Forest Service
Terry Sullivan, The Nature Conservancy
Katherine Yugas, Albuquerque Bernalillo County Water Utility Authority



What is the Rio Grande Water Fund?

The Rio Grande Water Fund is a public-private partnership with a goal of generating sustainable funding for a 20-year program of large-scale forest and watershed restoration treatments—including thinning overgrown forests, managing fire, restoring wetlands and streams, educating youth, providing research to policy makers, and creating forestry and wood products jobs.

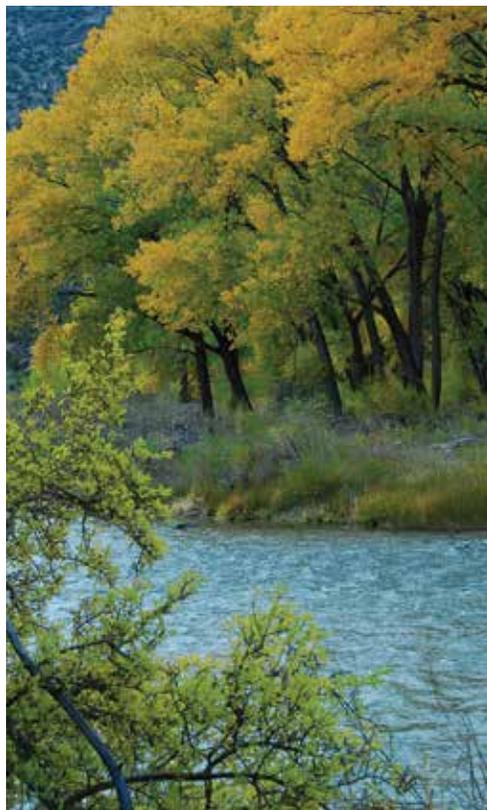


► RIO FERNANDO DE TAOS

Since its founding in March 2017, the Rio Fernando Revitalization Collaborative has had some major successes. At the top of the watershed, the group is restoring a wetland jewel by bringing grazing permittees and environmentalists to the table to add wildlife friendly fences and reduce erosion. The Collaborative is removing invasive species from banks of the river in Taos to allow more access to the river. And notably, the group organized to re-open a section of the Taos Acequia system that hasn't been used in 30 years.

The Collaborative consists of the Taos Valley Acequia Association, environmental groups, the U.S. Forest Service, the Town of Taos and Taos County, working to address watershed management and restoration in the Rio Fernando. The river flows down Taos Canyon, quietly through town and out to feed acequias, eventually meeting the Rio Grande. The Collaborative envisions future generations using a revitalized Rio Fernando Watershed that builds on traditions and embraces discovery to connect people to ecosystems, cleaner water and vibrant agriculture. Funding for the Collaborative comes, in part, from the LOR Foundation.

The future of the Rio Fernando Collaborative looks bright with plans to further improve water quality in the river by identifying potential pollution sources through a grant from the EPA. Wetland restoration work, which is funded by the Rio Grande Water Fund, will continue. Soon the Carson National Forest will finalize an Environmental Assessment that will clear the way for several thousand acres of forest restoration.



WELCOME



PAULA GARCIA

**New Mexico Acequia Association (NMAA)
Executive Director**

Paula Garcia was unanimously elected to the Rio Grande Water Fund Executive Committee by signatories this past spring. During her years of service for NMAA, acequias have built a movement around the principle that “water is life—el agua es vida” and have achieved water policy changes to protect rural and agricultural water rights. Previously, Paula served as the President of the New Mexico Association of Counties and was appointed, during the Obama administration, to the USDA Minority Farmers Advisory Committee. Most recently, Governor Michelle Lujan-Grisham appointed her to the Interstate Stream Commission.

▶ LINKING WATERSHED PROJECTS TOGETHER

As we continue to scale up our work across the Rio Grande Watershed, it's imperative that we also consider how all these treatments fit together. In 2017, the Collaborative Forest Restoration Program funded a project with The Nature Conservancy (TNC) to restore nearly 500 acres of pinyon-juniper woodland on the Cibola National Forest seven miles south of Tijeras.



A key part of the project tapped into the years of experience held by a group of volunteers, the Friends of Sandia Mountain, to remove woody plants invading a meadow near the headwaters of Cedro Creek. These retirees, aged 60-85, enabled this project to expand to the headwaters meadow.



TNC's project aimed to connect with previous treatments, creating a fuel break for rural neighborhoods adjacent to public lands. Now that the upland work has been completed, Rocky Mountain Youth Corps is set to begin their work to restore nearly four miles of Cedro Creek. The crew will install one rock dam, zuni bowls and rock rundowns to reduce erosion and other damage caused by hydrologic changes in the area. This project also connects to work downstream being spearheaded by the Tijeras Creek Watershed Collaborative at the confluence with Tijeras Creek on a Bernalillo County parcel.



The robust collaboration in this area has allowed us to participate in a string of projects that meet the Water Fund's objectives and link projects together so that our restoration activities have a bigger impact at a watershed scale.

▶ ALL HANDS ALL LANDS BURN TEAM



Forest ecology and fire science tell us that our dry-conifer forests need fire. Not the dangerous, unhealthy fire like Las Conchas, which happened in super-dry 2011, but the mild, healthy fires that come after a wet winter and

strong monsoon. These wetter conditions allow fire managers to reintroduce fire onto the landscape under safer conditions.

There's just one problem: not enough trained people. Many of the federal fire-fighting workers that we depend on here are battling fire in other parts of the county at times when the threat of catastrophic fire has decreased in New Mexico. This is where the All Hands All Lands (AHAL) team comes in.

According to Dave Lasky of the Forest Stewards Guild who manages the AHAL Burn Team: "The goal of the AHAL is to get ahead of prescribed fire backlogs on federal, state and tribal lands and support private landowners' use of prescribed fire."

In 2018, the AHAL team supported 4,379 acres of burning, and in 2019, the team is working towards more than 2,000 acres across the Rio Grande Water Fund footprint. While team members agree these are great numbers for a new project, strategy matters more than size. AHAL is working to place controlled burns in prioritized locations that allow for more healthy fires in future years. This strategy paid off earlier this year outside of El Rito, where New Mexico Forest Service fire managers were able to manage a 2,000-acre restorative fire because of a 4,000-acre prescribed fire the AHAL team helped with in 2018, showing how smartly placed restoration efforts can lead to future success.



COORDINATION



Working Nationally to Restore Fire to Fire-Adapted Ecosystems

The Forest Stewards Guild has been an instrumental partner in the Rio Grande Water Fund since its beginning and Eytan Krasilovsky has been there all along. Eytan, who is the deputy director of the Guild, coordinates the organization's Fire Adapted Communities work on a national level and works across the West to make forests, watersheds and communities more resilient. The Rio Grande Water Fund is a landscape where the Guild has been working for decades.

Eytan is especially excited about the addition of the Gravitas Peak Wildland Fire Module, which recently joined forces with the Guild. According to Eytan, the Module: "...is the operation arm of the Guild that works to restore fire to fire-adapted ecosystems. It is a self-sufficient, 14-person resource with a wildland fire engine and a 10-person hand crew, focusing on prescribed fire and fuels management. It is unique in that it has an important mission to serve as a training program for transitional-aged young adults from under-represented and under-served populations."

Since September 2018, the Module has enabled the Guild to apply prescribed fire to more than 6,000 acres through the All Hands All Lands Burn Team Initiative as well as the return of fire to private, state and municipal lands.

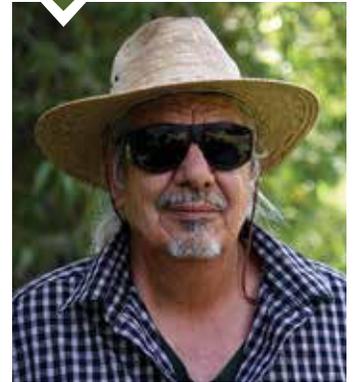
► COMMUNITY FORESTRY FOR PEOPLE & WATERSHEDS

The relationship between federal land managers and long-time residents of northern New Mexico has long been defined by hostility. The U.S. government's takeover of vast lands that sustained isolated communities for generations created simmering resentment and occasional violence. The Forest Mayordomo model emerging on the Carson National Forest is helping ease some of that tension, proving that residents can manage forestry in sustainable ways that benefit communities and watersheds.

In 2018, the Cerro Negro Forest Council received a Collaborative Forest Restoration Program grant to thin 300 acres of federal land between the villages of Valdez and San Cristobal. Borrowing from the acequia model of water management, the council hired a forest *mayordomo* to oversee the work. With the help of Forest Service staff, the *mayordomo* divides the project area into one-acre blocks and marks those trees that are to be left standing, according to the agency's prescription. Blocks are then assigned to *leñeros* — local residents with years of experience cutting firewood in the area — who remove the unwanted trees for personal use or for sale.

Within six months, more than 40 *leñeros* were assigned blocks and dozens of acres had been completed at the Cerro Negro project. Using the same model, another forest council has been created along the Río de Las Trampas in southern Taos County. That council is hoping to start work in the fall of 2019 with the help of the Río Grande Water Fund, and there is interest in expanding similar programs across northern New Mexico to empower communities to act as stewards of the forest for everyone's benefit.

COMMUNITY



DAVID ARGUELLO

President of the Arroyo Hondo Arriba Community Land Grant & Cerro Negro Forest Council Member

For his entire life, Valdez native David Arguello has advocated for social justice and for Hispano land rights in northern New Mexico. As one of the creators of the forest *mayordomo* concept, he saw an opportunity to improve social, economic and ecological conditions in rural villages like his while protecting land and water further downstream. “The Cerro Negro Project has brought families back to their ancestral lands and given them access to resources that sustained generations before them,” Arguello says. “It’s an example of how the community can organize itself in order to restore traditional husbandry of the forests.”



▶ JOB GROWTH & LOCAL ECONOMIC IMPACTS

In the development of the Rio Grande Water Fund, the original advisory board comprising more than 40 partners recognized that job creation and economic development would be an important co-benefit associated with the proposed restoration work. Since the launch of the Water Fund, we have been measuring job growth and other economic values to the state.

Recently, TNC, the Social and Economic Analysis Branch of the USGS Fort Collins Science Center and the USGS Sustaining Environmental Capital Initiative funded a study on the economic impacts of wildfire risk reduction and watershed improvement projects in the Rio Grande basin.



What did we learn? During the year of the study (2018), nearly \$900,000 was deployed to contractors supporting 25 jobs, \$977,000 in labor income, \$1.18 million in value added and \$1.7 million in economic output. The majority of these expenditures were made by hiring local businesses operating with the Rio Grande Water Fund boundary.

Including direct and secondary effects, local expenditures supported an estimated 15 jobs, nearly \$700,000 in labor income, \$792,000 in value added and \$1.12 million in economic output within boundary. These results demonstrate how investments in wildfire risk reduction and watershed improvement projects support jobs and livelihoods, small businesses and rural economies in New Mexico and southern Colorado.*

**From the Executive Summary of the Economic Impacts of Wildfire Risk Reduction and Watershed Improvement Projects in the Rio Grande Basin by Christopher Huber, Catherin Cullinane Thomas, James R. Meldrum, Rachel Meier and Steven Bassett.*



PROUD PARTNER



JOHN WACONDA

John Waconda, who serves as the Restoration Partnership Coordinator for the U.S. Forest Service, has been an important partner in the development and implementation of the Rio Grande Water Fund. John is an advocate for public/private partnerships like the Water Fund for several reasons, including the positive co-benefits that include workforce development opportunities for the local communities in which he works.

“The Water Fund and other partnerships like it bring a diverse array of people together to align interests and management responsibilities to provide jobs, improve living conditions, and improve and protect our natural resources,” John says. “No one single entity can do all that.”

John said he is proud to be part of the Rio Grande Water Fund, which is stimulating rural economies in the state.

► RIO GRANDE WATER FUND INVESTORS

Founding Investors

- Albuquerque Bernalillo County Water Utility Authority
- Anne Ray Foundation
- Bernalillo County
- City of Albuquerque
- Ciudad Soil and Water Conservation District
- Fire Learning Network
- General Mills, Inc. and the General Mills Foundation
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- Lowe's Charitable and Educational Foundation
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- Middle Rio Grande Conservancy District
- National Fish and Wildlife Foundation
- PNM Resources, Inc.

- Taos Ski Valley Foundation
- US Bureau of Reclamation: Southern Rockies Landscape Conservation Cooperative
- US Endowments for Forestry and Communities
- USDA Forest Service
- Linda and Jim Wolcott

Lead Investors

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- Albuquerque Metropolitan Arroyo Flood Control Authority
- Buckman Direct Diversion Project
- Jonathan & Kathleen Altman Foundation
- New Mexico Department of Game and Fish
- New Mexico Watershed and Dam Owners Coalition
- New Mexico EPSCoR
- Racher Resource Management, LLC
- Santa Fe Community Foundation

Secure Investors

- Albuquerque Community Foundation
- Albuquerque Community Foundation, Vitality Works Endowment
- Avalon Trust
- Business Water Task Force
- Edgewood Soil & Water Conservation District
- Lineberry Foundation
- National Park Service
- New Mexico Coalition of Conservation Districts
- New Mexico Interstate Stream Commission
- SCM Partners, LLC
- US Geological Survey
- Wells Fargo Bank/Wells Fargo Foundation

Contributors

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- Enterprise Bank
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- Los Alamos National Laboratory and Los Alamos National Security, LLC
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► POST-FIRE RECOVERY



In 2011, the Las Conchas fire severely burned the forests and watersheds of Santa Clara Canyon, the spiritual and cultural heart of Santa Clara Pueblo. Following the Las Conchas fire, officials at Santa Clara decided to close the canyon because of the risk of post-fire flooding, abundance of hazard trees and lack of egress.

This safety decision barred Pueblo elders, youth and counsel from their sacred lands.

Lindsey Quam served as Pueblo's forestry director before moving on this summer to his new post as deputy director of forests for New Mexico State Forestry. From the beginning, Lindsey was involved in the Water Fund, which soon after its launch, provided support by investing in naturalistic design and implementation of bioengineered, green-built debris-flow mitigation infrastructure to manage future flood risks within the upper portions of Santa Clara Canyon.



"Partnerships and collaborations, including the Rio Grande Water Fund, have been vital to the Santa Clara Pueblo's success in the ongoing restoration and recovery efforts of its cultural lands," Lindsey said.

Since 2014, Santa Clara Pueblo has treated 28 tributaries to improve water quality and installed erosion control structures along 13 miles of drainage. The Cerro Grande Fire in 2000 spurred action and since then, the Pueblo has planted two million seedlings to restore the forests that have been scarred by fires over the past few decades. These efforts are ongoing and would not be possible without the collaborative support by partners such as the Rio Grande Water Fund.

► DEEPEST THANKS TO OUR FOUNDERS

What began as an ambitious idea has led to an innovative program with more than 80 partners successfully restoring health to our forested watersheds and protecting New Mexico's future water security.

Based on water fund concepts developed by TNC in places like Quito, Ecuador, the Rio Grande Water Fund was launched after the devastating Las Conchas fire of 2011 and modeled on the effective, proof-of-concept Santa Fe Water Fund.

Partners gathered together to create an ambitious plan to scale-up forest restoration ten-fold within the Rio Grande watershed with a long-term project that would last at least 20 years. It took a few years and not-a-few meetings around the state to garner the kind of support needed to launch the Water Fund in 2015.

The progress that has been made over the last five years is due in great part to the early belief in the Rio Grande Water Fund by a small group of people representing business, government, nongovernmental organizations and private investors.

On behalf of all the partners of the Rio Grande Water Fund, we would like to recognize and thank the following for their service and dedication—from the very beginning—to this ambitious conservation initiative:

Brian Burnett, formerly of Bohannon Huston
Jake Caldwell, LOR Foundation
Dale Dekker, Dekker/Perich/Sabatini
Martin Haynes, Business Water Task Force
Dan McGregor, Bernalillo County
Katherine Yuhás, Albuquerque Bernalillo County Water Utility Authority



THIS PAGE CLOCKWISE The Rio Grande Water Fund is a learning lab, engaging researchers and practitioners from around the world. The RGWF is also a model for other projects across the West. © Collin Haffey/TNC; Flowers bloom against the backdrop of trees scorched by prescribed fire set to restore and re-ignite new growth in New Mexico forests. © Alan Eckert Photography; El Salto © Mark Shuetz; Foresters help stabilize erosion by thinning forests on sloped hills. © Mark Shuetz

▶ JOIN THE 100 SIGNATORY CHALLENGE!

Partners in the Rio Grande Water Fund sign a collaborative charter expressing their support for the goal of restoring 600,000 acres of critical forests that supply water to one million people in New Mexico. At the start of the year there were 55 signatories and by October more than 85 organizations were on board. By 2020 the Rio Grande Water Fund seeks more than 100 groups. Sign the charter and make a difference today!

WHAT IS A SIGNATORY?

The Nature Conservancy and partners drafted a Collaborative Charter in 2014 to express their shared goals and make a public commitment to restoring forests and watersheds. Each year a dozen or more agencies, organizations and businesses sign on to this commitment. The Collaborative Charter is a statement of intent, but it is not a legally or financially binding document. The current list of signatories is at riograndewaterfund.org/engage/signatories.

WELCOME NEW SIGNATORY



BOSQUE BREWING CO.

When you visit Bosque Brewing Co.'s website, it's not hard to figure out why they became a charter signatory of the Rio Grande Water Fund. The inspiration for the brewing company is the community they cherish and the bosque, which lies between the mountains and the Rio Grande.

Founded in 2012 with just six employees, the company now operates in five locations with 200 employees brewing 15,000 barrels of beer each year. According to their chief experience officer, Jess Griego, who oversees community engagement for Bosque: "We care deeply about the community in which we live and work. One of our main focal areas is sustainability and the environment, which is why the Rio Grande Water Fund speaks to us."

This environmental ethos is the reason they support the vision and mission of the Rio Grande Water Fund. Using an estimated 230,000 gallons of water each year to brew their rotating specialty beers, hard ciders and seltzers, along with seven year-round offerings, Bosque Brewing Co. recognizes that healthy forests in New Mexico translate into a more secure water supply for their business and communities in which they operate.

In addition to the company's devotion to the environment, it also supports local food pantries. And, in 2018, they founded the Spacelion For Life Foundation, a fund used to raise awareness about suicide prevention through New Mexico State University's crisis center.



CHARTER SIGNATORIES*

For more information, visit us online at nature.org/riogrande



*Full list of investors inside