



COLORADO WATER TRUST

WATER RIGHTS DUE DILIGENCE CHECKLIST

STEP 1: DETERMINE WHAT WATER RIGHTS ARE USED ON THE LAND

- Obtain list of water and water rights used and discuss with landowner/water user
- Review deeds of property to current owner to see what water rights are specifically mentioned
- Review current Water Rights Tabulation for area in question and by structure name
- Interview Water Commissioner concerning water and water rights used on the land
- Obtain copies of decrees/well permits from State Engineer
- Walk property and identify existing ditches, ponds, wells, etc.

STEP 2: CONFIRM OWNERSHIP OF WATER RIGHTS

- Obtain and review recent deeds to property and develop chain of title to water rights
- Interview Water Commissioner about actual user of water right
- If right is represented by shares
- Review stock certificate(s)
- Call ditch company involved to determine what corporate records show as to ownership and status of payment of assessments
- Notify ditch company of intent to create conservation easement
- If warranted, engage water attorney to prepare water title report

STEP 3: DETERMINE EXTENT OF ACTUAL HISTORICAL USE

- Mark location of ditches, wells, reservoirs, other structures on USGS or aerial photo
- Interview landowner to determine historical places and use of water rights
- Mark location, including boundaries, of irrigated lands on USGS map or aerial photo; note crops historically irrigated and irrigated pasture
- Compare decreed location of structures and places of use against actual locations
- Obtain recent diversion records from Water Commissioner or State Engineer
- Compare rates of actual diversion against decreed rate
- Obtain current abandonment list from Water Commissioner or Division Engineer; determine if subject rights are listed
- For any storage reservoirs, check State Engineer's dam safety inspection reports
- Include information in baseline inventory or separate report

STEP 4: DETERMINE PHYSICAL AND LEGAL RELIABILITY OF RIGHTS

- Review diversion records to determine extent of actual use
- Interview Water Commissioner to determine physical availability of water at point of diversion
- Interview Water Commissioner to determine relative priority and frequency of the right being "called out"
- If warranted by importance of water rights, engage a water engineer or other professional to analyze water right



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STEP 5: RECONCILE INFORMATION

- Review ownership
- Review decreed and actual points of diversion and/or storage
- Review decreed and actual beneficial uses
- Review decreed and actual places of use
- Review decreed amount(s) and historical use