The mission of the Larimer County Open Lands Program is to preserve and protect significant open space, natural areas, wildlife habitat, and develop parks and trails for present and future generations. These open lands provide opportunities for leisure, human renewal and protection of our natural and cultural resources.

### Members Present

- K-Lynn Cameron
- Suzan Fritchel
- Marilyn Hilgenberg
- Jeff Hindman
- Pete Kelly
- David Marvin
- Ward Nelson
- Carl Sorrentino
- Sherri Valentine
- Nancy Wallace

### Members Absent

- Jason Brothers
- Gerry Horak

### Guests

- Todd Doherty
- Dan Brown
- Matt Lindburg
- Isabelle Lheritier
- Ben Norman
- Brad Walker
- Melanie Calvert
- Erin Messner

### Staff Present

- Gary Buffington
- Kerri Rollins
- Charlie Johnson
- Alex Castino
- Sandy Werkmeister
- Chris Fleming
- Steve Gibson
- Jenn Almstead
- Todd Blomstrom

### 1. CALL TO ORDER / INTRODUCTIONS

Meeting was called to order by Nancy Wallace. Kerri introduced K-Lynn Cameron, our newest board member, replacing the vacancy created by the end of Trudy Haines’ terms. K-Lynn shared that she is really happy to be here. She worked on the first open space sales tax initiative and ultimately as the first Open Lands Program Manager for Larimer County until her retirement in 2009 so the program is near and dear to her heart. She worked at Legacy Land Trust for some years before the merge with Colorado Open Lands. She thanked Commissioner Donnelly for appointing her and told the Board she plans to be an engaged member and looks forward to getting to know everyone.

### 2. PUBLIC COMMENT – None at this point in the agenda

### 3. AGENDA REVIEW – No changes.

### 4. REVIEW AND APPROVAL OF LAST MEETING MINUTES

Suzan Fritchel requested the correction that she was not in attendance at the June meeting. This amendment will be made. Motion by Carl Sorrentino and second by Ward Nelson to approve the June 22, 2017 meeting minutes as amended. Motion carried unanimously.

### 5. INFORMATION & ANNOUNCEMENTS

a. The westernmost portion of the Pleasant Valley Trail in Bellvue is closed from July 24 to mid-August so Xcel Energy can install a new gas line in the area. This is the endpoint of the trail; people can use the trail until they reach this temporary closure.

b. The trailhead at River Bluffs Open Space will be closed from July 21 to mid-September due to construction on County Road 32E. The Poudre River Trail will remain open, but access to the trailhead will be closed starting at the bridge over the Poudre River.

c. The Horsetooth Area Information Center grand opening, complete with all interpretive panels, was held on June 28 with about 80 people attending. Thanks to all who were able to make it!

d. Alex and Kerri attended the Colorado Water Conservation Board on July 20. The funding of $51,750 that we applied for from them was approved.
e. We recently submitted a grant to Colorado Parks & Wildlife’s Wetlands for Wildlife program requesting $153,370 toward the river restoration project at River Bluffs Open Space. If received, this grant would be matched many times over by DOLA’s $1.3 million awarded grant and the $360,000 from open space sales tax dollars. We should hear on this by the end of August.

f. The Colorado Open Space Alliance (COSA) conference will be held in Breckenridge at the Beaver Run Resort this year September 18-20. Registration will be opening soon. Let Kerri know soon if you are interested in attending.

g. Sales Tax Revenue Distribution Report – no questions

h. Natural Resources events/registration and NR News – no questions

6. UPDATES & PRESENTATIONS

a. Open Space Operations District Reports –
   - Chris asked if there were any questions about the report itself. She went on to talk about lightning strikes (one striking the web cam at Devil’s Backbone, one striking at Hermit Park, shutting down all computer and phone lines and one that struck at Chimney Hollow Open Space (CHOS), starting a fire.) The lightning strike at CHOS hit within an area that had been treated as a fire mitigation area and only 1.5 acres burned as a direct result of those efforts.
   - Steve Gibson reported on the fire that started just south of Rimrock Open Space on private property. Over 200 acres burned, including about 80% of Rimrock Open Space and 30% Coyote Ridge Open Space. It was stopped before it reached any houses. Horsetooth Reservoir and County Road 38E were closed and boats sequestered so the helicopter could dip for water. While assisting with the closure of CR38E, a ranger administered CPR to a cyclist who had a coronary, saving his life! At the same time there was another fire at Fossil Creek Reservoir, the northeast corner by the railroad tracks. It was a busy weekend to say the least!

b. Jennifer Almstead presented the results and successes of the Small Grants for Community Partnering (SGCP) 2016 grant year projects – presentation attached.
   - Jennifer also brought the board up-to-date on some administrative changes made for the 2018 grant cycle. She thanked Sherri, Dave and Gerry for their feedback on the changes. 1) We are increasing the individual grant award amount to $3000. It hasn’t been increased since the program’s inception. 2018 will serve as a pilot year to provide us with a little additional information that may produce more changes going forward. 2) We have added a three year funding restriction. If an applicant receives 3 consecutive years of funding, they will need to take a year off before applying again. 3) We also created a new budget worksheet.
   - For the 2019 SGCP grant year, Sherri Valentine, Suzan Fritchel and K-Lynn Cameron volunteered to serve as the committee.

c. Little Thompson Farm - Alex Castino provided the history of the project and (after Brown & Caldwell presentation) the major terms of the Intergovernmental Agreement (IGA) – presentation attached.

d. Little Thompson Farm Water Viability Plan under the Alternative Transfer Method (ATM) water sharing proposal – presented by Isabelle Lheritier and Matt Lindburg with Brown & Caldwell – presentation and plan attached.

7. ACTION ITEMS

a. Final Review - Little Thompson Farm water partnership Intergovernmental Agreement (IGA)
   Public Comment –
   - Scott Lewis, a landowner on the Little Thompson River just downstream from the Little Thompson farm provided comment. He is vice president of the Little Thompson Watershed Coalition, the president of two ditch companies and the Vice President of a third ditch Company and a shareholder of all those. He has 226 acres on the Little Thompson and often considers a conservation easement on his property to keep the large amount of water he has with the land. When Larimer County purchased the (then Malchow) farm, he was thrilled and proud of the
County for preserving agriculture and keeping the water with the land. With only the newspaper articles to gain information, he found the article of this week announcing the sale of 115 shares to Broomfield to be a bait and switch. From the additional information he has learned at this meeting, he appreciates the viability studies and the work that has been done to keep the farm a farm. However, he did point out that in April, you don’t know if it is going to be a wet or dry year. And speaking for himself, he purchases his corn seed in November to get the best price. To not know how much water you will have until April will be difficult. While he understands the need to sell the CBT shares for budgetary reasons, he wants to point out that it is still removing water from the basin, and he is very concerned about the loss of return flows. He wrapped up by saying he is glad Broomfield stepped up, and glad the County is looking at ATM’s, but wishes the County would have found a partner that would have allowed for the water to travel the Little Thompson River before being pulled.

- George Wallace sent in a comment extending gratitude from the Agriculture Advisory Board to all who have taken the project this far.

Board Response/Questions –

- Did the team look at how the return flows would be affected? Response from Brad Walker was that they did not look specifically at return flows. If the transfer of water goes through water court, that is the biggest thing to evaluate but given that we are using CBT as the ATM it is not a necessity. A couple things will help maintain those return flows. 1) We are going to continue to irrigate the farm. 2) The additional Handy Shares that get put onto the farm are going to offset the return flows associated with the CBT water.

- What other municipalities did we talk to? Alex responded that everyone in the Northern Water District was made aware of our search for water sharing partners through the rulemaking and Northern’s shareholder newsletter. We specifically had conversations with 25 different water providing entities, including agricultural users. There were some ongoing negotiations with 11 of them. Todd Doherty added that comparing to all the other interviews conducted, the City and County of Broomfield really was the ideal partner in that it really is a dry year supply. He emphasized that they can take up to 3 years out of 10 but they don’t have to. There is an incentive for them to not take it if it is not needed.

  a. Motion by Ward Nelson to recommend to the Board of County Commissioners to sign an IGA with the City and County of Broomfield. Second by Suzan Fritchel. Motion carried unanimously.

b. Election of Officers

- Nancy opened the floor for nominations. Kerri reminded the Board that Gerry Horak is interested in Chair or Vice Chair.
- Nancy Wallace nominated Pete Kelly as Chair. Second by Suzan Fritchel. By indicating yea or nay, the Board unanimously chose Pete Kelly for Chair.
- Suzan Fritchel nominated Dave Marvin for Vice Chair. Second by Ward Nelson. No further nominations were made. By indicating yea or nay, the Board unanimously chose Dave Marvin as Vice Chair.

8. OTHER BUSINESS - None

9. ADJOURN - The meeting adjourned at 6:45 p.m.
### SMALL GRANTS FOR COMMUNITY PARTNERING

#### 2016 GRANTEES FINAL REPORT UPDATE

**JULY 27, 2017**

**12 Grantees Awarded in 2016**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project Title</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audubon Rockies</td>
<td>Habitat Hero</td>
<td>$2,000</td>
</tr>
<tr>
<td>Bird Conservancy of the Rockies</td>
<td>Colorado Bluebird Project</td>
<td>$1,587</td>
</tr>
<tr>
<td>Bruns Estates HOA</td>
<td>Bruns Estates Open Space Project</td>
<td>$399</td>
</tr>
<tr>
<td>Colorado Foundation for Agriculture</td>
<td>Understand Water for Classrooms</td>
<td>$2,000</td>
</tr>
<tr>
<td>Colorado Youth Outdoors</td>
<td>CYO Swift Ponds Interpretive Signage</td>
<td>$2,000</td>
</tr>
<tr>
<td>Dean Acres HOA</td>
<td>Lee Lake Health</td>
<td>$1,500</td>
</tr>
<tr>
<td>Estes Valley Community Garden</td>
<td>Irrigation Project</td>
<td>$1,372</td>
</tr>
<tr>
<td>Grayhawk Knolls HOA</td>
<td>Grayhawk Knolls Trail</td>
<td>$1,890</td>
</tr>
<tr>
<td>Kate Wilkins</td>
<td>Bison Research</td>
<td>$2,000</td>
</tr>
<tr>
<td>Soaring Eagle Ecology Center</td>
<td>Little Observatory at Soaring Eagle Ecology Center</td>
<td>$2,000</td>
</tr>
<tr>
<td>The Growing Project</td>
<td>Educational Garden Teens for Food Justice</td>
<td>$2,000</td>
</tr>
<tr>
<td>The Springs at Mariana HOA</td>
<td>Common Area Improvement Project</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

**TOTAL** $20,748
**Audubon Rockies: Habitat Hero $2,000**

- Demonstration garden in partnership with the City of Fort Collins Nature in the City program at Manhattan Townhomes near Horsetooth and College Ave (site location changed)
- Largest Habitat Hero garden to-date
- 900 plants successfully planted
- SGCP grant funds leveraged multiple times over as the material costs neared $30k!
- Ribbon cutting ceremony – Spring 2018

**Bird Conservancy of the Rockies: Colorado Bluebird Project $1,587**

- 3 bluebird boxes were added at Soaring Eagle Ecology Center in Red Feather
- 13 bluebird nesting attempts; 9 successful nest fledges of Tree Swallows (49 total fledglings)
- 11 volunteers volunteered 123.4 hours
- 20 more nest boxes built by two volunteer groups
SMALL GRANTS FOR COMMUNITY PARTNERING (SGCP)

2016 SGCP GRANTEES
FINAL REPORT UPDATE

Bruns Estates HOA: Bruns Estates Open Space Project $399

- Planting of 50 native shrubs and perennials
- Planting of California poppy and perennial wildflower seed mixes
- Canadian thistle control via weed sprayer
- Brome grass control via spot spraying

SMALL GRANTS FOR COMMUNITY PARTNERING (SGCP)

2016 SGCP GRANTEES
FINAL REPORT UPDATE

Colorado Foundation for Agriculture: Understand Water for Classrooms $2,000

950 Understanding Water Activity Books were delivered to 16 schools in Poudre School District in 2016.
SMALL GRANTS FOR COMMUNITY PARTNERING (SGCP)

2016 SGCP GRANTEES
FINAL REPORT UPDATE

Colorado Youth Outdoors: CYO Swift Ponds Interpretive Signage - $2,000

14 interpretive signs and 2 directional signs, designed by Dodge Sign Company, were placed next to the 12 different ponds at CYO. The signs serve as educational tools for visitors and users alike.

Dean Acres HOA: Lee Lake Health $1,500

Funds were used to help improve the water quality and clarity of Lee Lake. The HOA contracted with Keeton Industries to select a natural bacteria for lake surface application to treat pond weeds.
Estes Valley Community Garden: Irrigation Project - $1,372

- Funds were used to build an automatic and efficient drip irrigation system at the community garden
- 5 volunteers provided 60 hours, totaling $1,557 to install the drip system
- As a result, they served approximately 500 people in the Estes Park community

Grayhawk Knolls HOA: Grayhawk Knolls Trail $1,890

Grayhawk Knolls is a rural subdivision west of Wellington and surrounded by 220 acres of open space. Funds were used to improve an uneven clumped dirt trail. The work included spreading and filling dirt over new trail culverts and distributing 192 tons of recycled asphalt over the existing path. 14 volunteers provided 66 hours of labor, totaling $1,480!
Kate Wilkins: Bison Research $2,000

Research Project: First study to evaluate the before and after effects of bison reintroduction on grassland birds, mammals, and vegetation in northern Colorado. Baseline data occurred from May-November 2015; prior to the reintroduction of the bison.

- 2016 post-bison reintroduction data was collected from May-November using bird surveys and remotely triggered wildlife cameras to assess changes in bird and mammal habitat use in response to the reintroduction of bison.
- Funding helped to support an undergraduate student experience with ecological field work. This student helped with bird point counts, vegetation surveys, and wildlife cameras at RMOS and SPNA.
- Kate’s 2016 final report is available upon request

Soaring Eagle Ecology Center: Little Observatory Project - $2,000:

SEEC obtained an extension to build their 10’x12’ wooden shed to house telescopes later this summer/early fall.

The Growing Project: Educational Garden Teens for Food Justice - $2,000

- 10 teens, ages 13-17, participated in the Teens for Food Justice program
  - Completed a service project to Catholic Charities
  - 90% said they enjoyed helping address food insecurity in their community through agriculture related service
- Over 500 people used the shade structure in the 2016 season
The Springs at Mariana HOA – Common Area Improvement Project - $2,000

- Native perennials were planted in the new butterfly garden to enhance the common area, reduce water usage and provide food/habitat for birds
- 11 bird houses were installed to attract and shelter birds near Boedecker Lake
- HOA worked in partnership with Audubon Society, HPEC, and Wild Birds Unlimited
- Volunteer project engaging 22 neighbors who contributed 340 hours to the project!
Conserving Irrigated Farming Through Water Sharing

Conservation Gap:

- The greatest gap in conservation in Larimer County is in working farms and ranches.
- Of 371,820 high value agricultural acres, 78% are not currently protected.
Citizen Feedback

Table 3.1. Land Conservation Needs Assessment Summary:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Conserve lands to protect lakes, rivers, streams and preserve water quality</td>
</tr>
<tr>
<td>2</td>
<td>Conserve lands to protect natural resources, wildlife habitat and rare species</td>
</tr>
<tr>
<td>3</td>
<td>Conserve lands for more outdoor recreation opportunities</td>
</tr>
<tr>
<td>4</td>
<td>Conserve lands to create greenways or trail corridors that connect communities and parks</td>
</tr>
<tr>
<td>5</td>
<td>Conserve lands to preserve working farms and ranches</td>
</tr>
<tr>
<td>6</td>
<td>Conserve lands within our communities near neighborhoods and schools</td>
</tr>
<tr>
<td>7</td>
<td>Conserve community separators (open lands between cities and towns)</td>
</tr>
<tr>
<td>8</td>
<td>Conserve regional lands</td>
</tr>
<tr>
<td>9</td>
<td>Conserve historic sites or renovate historic structures</td>
</tr>
<tr>
<td>10</td>
<td>Invest in management and maintenance of current natural areas and facilities</td>
</tr>
<tr>
<td>11</td>
<td>Invest in additional paved and natural surface trails</td>
</tr>
<tr>
<td>12</td>
<td>Invest in additional trailheads, parking, shelters, facilities, etc.</td>
</tr>
<tr>
<td>13</td>
<td>Restore and rehabilitate easements and open lands</td>
</tr>
<tr>
<td>14</td>
<td>Acquire water rights for in-stream flows and wildlife habitat</td>
</tr>
<tr>
<td>15</td>
<td>Secure water for agricultural lands</td>
</tr>
<tr>
<td>16</td>
<td>Provide land for emerging farmers and small acreage farming</td>
</tr>
<tr>
<td>17</td>
<td>Conserve land with priority to existing open space</td>
</tr>
</tbody>
</table>

Legend:
- Dark Brown = Top priority
- Light Brown = Secondary Priority
- White = either not a priority or the question was not repeated in this study.

*To reflect our duplicate efforts from previous studies, these surveys asked a limited number of questions to gather additional feedback. Not all questions were asked in all surveys.*
Conservation Values and Quality of Life Benefits:

- Scenic/Open space
- Buffer/Community Separator
- Local economy and food production
- Community connection to cultural and Institutional knowledge
- Education
- Historic
- Wildlife habitat
- Groundwater recharge
- Flood surge control
Project Costs

<table>
<thead>
<tr>
<th>Resource</th>
<th>Appraised Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, Minerals, Improvements</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>Water Supply</td>
<td></td>
</tr>
<tr>
<td>240 C-BT Units</td>
<td>$6,240,000</td>
</tr>
<tr>
<td>Handy shares</td>
<td>$640,000</td>
</tr>
<tr>
<td>Total</td>
<td>$8,580,000</td>
</tr>
</tbody>
</table>

Competition Over Water

- 4,500 acres/year of farmland in Larimer County is being lost to alternative land uses.
- Between 1997 and 2007, 8.4% of farmland was converted to non-agricultural uses.
- The annual economic loss amounts to roughly $1.2 million in agricultural output (sales) each year.
- If the status quo continues, the Colorado Water Plan predicts that 50% of the farmland in the South Platte Basin will need to be stripped of its water for municipal and industrial uses to meet demand.
Projected Municipal and Industrial Water Supply Gap by 2050: **600,000-1,000,000 AF**

The majority of this water is anticipated to come from agriculture.

Alternative to Buy and Dry:

**Alternative Transfer Methods (ATMs)**

~ Goal of 50,000 AF of agricultural water sharing by 2030.

---

Farmers want more options:

**Colorado Cattleman’s Association 2016 Study**

- 250 Agricultural Water Rights owners responded
- 2/3 were interested in learning more about Ag-Muni partnership opportunities
- Ag producers preferred the idea of leasing their water to selling by a 20-1 margin.
- The most appealing aspect was income diversification.
## Project Costs

<table>
<thead>
<tr>
<th>Value</th>
<th>Cost to LC</th>
<th>Amount Leveraged</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, Minerals, Improvements</td>
<td>$1,700,000</td>
<td>$1,420,000</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Berthoud</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>negotiated</td>
</tr>
<tr>
<td>Water Supply</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>$640,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$8,580,000</td>
<td>$8,300,000</td>
<td>$280,000 or 3%</td>
</tr>
</tbody>
</table>

## Project Goals

- **Conservation:** Conserve a viable irrigated farm in perpetuity
- **Financial Partnership:** Offset the costs of acquiring the farm and water by piloting a water-sharing agreement with a municipal water provider
- **Catalyst:** Create a model water-sharing agreement or ATM that can be used as a template for additional irrigated agriculture conservation in Larimer County and across Colorado.
What is an ATM?

• Flexible and innovative water sharing that:
  • Frees up water to meet increasing water demand in growing cities
  • Maintains farmland viability
  • Provides new source of income and more options for agricultural producers

• Examples of proposed ATMs:
  – Deficit Irrigation
  – Rotational fallowing or dry-year fallowing
  – Temporary or permanent Agriculture-to-Municipal and Industrial leases
  – Cropping change to less water-intensive crops

• What we need to implement:
  – Cities that are willing to try something a little bit different, and
  – Agricultural producers who are willing to flexibly manage their water.

What has been done in ATMs?


• Lower Arkansas Valley Super Ditch Company – Catlin Canal / Town of Fowler, City of Fountain, Security Water District (2008)
  – Collective lease-fallow program with rotational falling. $500/AF delivered. Utilized in 2015 with 26% of 6 farms or 240 total acres fallowed. 10-year lease agreement approved under HB 13-1248 by State Engineer

• Pawnee Power Plant (Kreil) – North Sterling Irrigation and Fort Morgan Water Company (2002)
  – Interruptible Water Supply Agreement, cooling water for coal plant. 3000 AF. 8.7% of average deviations on 25-year term. $55/AF delivered.

• Carpenter Ranch & Upper Basin System Conservation Project (2015)
  – Split season fallowing, watering until July 1. Grant-funded and subsidized by TNC. 2,228 AF/2,970 AF in deal over 10 projects. Year-by-year leases, $195-$449/AF delivered.

• McKinley Ditch (2008)
  – Split season fallowing, CWT using 6 ft for irrigation early season and instream flows late season. Currently in water court to add instream flow use to the water right.

• City of Fort Collins (2015)
  – Added municipal water use to agricultural water rights. 1,617 AF, use to be determined by city on annual basis by April 5.
  – Water swaps of C-BT for native ditch water due to water quality concerns. Annual basis. Traded 1.3 to quantity back for clear water

This will be the first perpetual agriculture-to-municipal sharing agreement in the State.
Process

• CWCB Alternative Transfer Methods Grant
• Northern Water rulemaking
• Outreach to Potential Partners
  – Local and Northern Colorado
    • Financial
    • Water Supply & Portfolio
    • Willingness & Capacity
• City and County of Broomfield

Conserving a Viable Irrigated Farm:

Project Team funded by Colorado Water Conservation Board “Alternative Agricultural Water Transfer Method (ATM)” Grant:

• Project Manager: Todd Doherty, Western Water Partnerships
• Water Attorney: Dan Brown, Fischer, Brown, Bartlett & Gunn
• Water Engineers: Matt Lindburg & Isabelle Lheritier, Brown & Caldwell
• Economist: Ben Norman, Harvey Economics
• Agronomist: Brad Walker, Centennial Ag
• Agricultural Advisory Board and Open Lands Advisory Board liaisons and advisors: Jason Brothers and George Wallace
• Colorado Water Conservation Board Grant Manager: Craig Godbout
Little Thompson Farm and Water Viability Plan

- Assures that under the new water portfolio:
  - the farm can be financially viable
  - for the foreseeable future
  - through various economic and hydrologic conditions.

Major Terms of IGA:

Financial Summary

- 115 units sold for purchase price of $26,000/unit
  - $25,550/unit from Broomfield
  - $450/unit from CWCB ATM grant (pending)
- 80 units to be shared through ATM 3/10 years by Broomfield for $10,400/unit (40%)
  - Plus $225/unit dry-year lease payment with price escalator
- Northern Assessments to be paid by the user of the units in any given year.
Major Terms of IGA:
Farm Viability Summary

- Notice by Broomfield when exercising ATM by January 31st
  - Late Notice allowed before June 1, with reimbursing of any crop-related expenditures by the farmer
    - Including planting/application of seed, fertilizer, labor expense, equipment use/rental, etc.
- No partial exercise
- Broomfield may not lease units
- Dry-year payment

Project Costs

<table>
<thead>
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<td>$100,000 $180,000</td>
<td>Berthoud negotiated</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$1,170,000</td>
<td>$1,170,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 C-BT units</td>
<td>$2,990,000</td>
<td>0</td>
<td>$2,938,250 $51,750</td>
<td>Broomfield CWCB</td>
</tr>
<tr>
<td>115 C-BT units</td>
<td>$2,080,000</td>
<td>$1,148,000</td>
<td>$832,000 $100,000</td>
<td>Broomfield Private Foundation</td>
</tr>
<tr>
<td>80 C-BT units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Handy shares</td>
<td>$640,000</td>
<td>$880,000</td>
<td>-$240,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$8,580,000</td>
<td>$4,618,000</td>
<td>$3,962,000 = 46%</td>
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</tbody>
</table>
Future Options

• Ability to Sell Land & Water with CE

• Public Management Planning Process
  – Interpretive/Educational
  – Future Farmers of America
  – Lease the land/houses
  – Renovate the barn
  – CSU Building Farms & Ranchers Program
  – Weddings/Events venue
  – Emerging Farmers & Ranchers

Questions?
Larimer County Farmland Loss

<table>
<thead>
<tr>
<th>Category</th>
<th>1997</th>
<th>2002</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>Number of Farms Operations</td>
<td>1,429</td>
<td>1,564</td>
<td>1,737</td>
</tr>
<tr>
<td>Farmland Operated (acres)</td>
<td>344,783</td>
<td>321,599</td>
<td>499,819</td>
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<tr>
<td>Average size of farms (acres)</td>
<td>374</td>
<td>324</td>
<td>279</td>
</tr>
<tr>
<td>Farmland loss (1997-2007)</td>
<td>44,564</td>
<td>acres</td>
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</tr>
<tr>
<td>Percent loss</td>
<td>8.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cropland (acres)</td>
<td>126,780</td>
<td>139,893</td>
<td>119,984</td>
</tr>
<tr>
<td>Cropland loss (1997-2007)</td>
<td>6,708</td>
<td>acres</td>
<td></td>
</tr>
<tr>
<td>Percent Loss</td>
<td>5.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated market value of agricultural products sold (inflated to 2011 dollars)</td>
<td>$100,867,000</td>
<td>$101,076,000</td>
<td>$128,123,000</td>
</tr>
<tr>
<td>Average per farm</td>
<td>$94,095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average per acre of farmland</td>
<td>$188</td>
<td>$194</td>
<td>$262</td>
</tr>
</tbody>
</table>


[1] According to the Northern Colorado Regional Flood System Assessment, USDA changed the definition of a farm, causing more acreage to be reported as a farm in 2007 than in 2002. This means that it is likely some farms reported in 2007 were not reported in earlier census years because of the definition change.

Landowner Support

My father knew that the farm would eventually need to be sold, and that it would likely be sold for development, and I believe a major part of the reason he left it to us to sell was that he couldn’t bear to do it.

One or more water-sharing agreements are what will make it possible for Larimer County to pay for the land and water together, and water-sharing is what saved our farm from having the water sold off, most likely to a water broker or a water district, and the land developed.

I have always remembered my father saying to me, “Once you turn farm land into development, you can never get it back.”

These agreements will help save working farms that would otherwise be sold as development property, with the water taken elsewhere and the rich farm soil covered with houses, stores, and streets.
Larimer County ATM:

Little Thompson Farm and Water Viability Plan

July 27, 2017

Little Thompson Farm
Little Thompson Farm – Water Supply vs Water Needs

• Water Supply
  • 22 Handy shares
  • 45 C-BT units for irrigation
  • 80 C-BT units subject to ATM

• Water Needs
  • How much consumptive use met by Handy shares?
  • How many C-BT additional units needed to fully supply crop?
  • How do water needs change?
    • Corn vs sorghum
    • Dry/wet/average years

Little Thompson Farm – Engineering Considerations

• Consumptive Use Analysis
  • Water supply
  • Conveyance efficiency
  • Climate conditions
  • Acreage
  • Irrigation practices
Little Thompson Farm – Farm Viability

• Is the farm viable with remaining water supply? Yes

<table>
<thead>
<tr>
<th>Year</th>
<th>Water Supply Conditions</th>
<th>Number of C-81 units needed to fully supply corn crop *</th>
<th>Number of C-81 units needed to fully supply sorghum crop *</th>
<th>Water operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>average</td>
<td>800</td>
<td>39</td>
<td>Grow corn, use all the water for irrigation</td>
</tr>
<tr>
<td>1993</td>
<td>wet</td>
<td>26</td>
<td>0</td>
<td>Grow corn, use Harvey ditch for irrigation, lease 10 C-81 units to other users</td>
</tr>
<tr>
<td>1994</td>
<td>average</td>
<td>116</td>
<td>12</td>
<td>Grow corn, use all the water for irrigation</td>
</tr>
<tr>
<td>1995</td>
<td>wet</td>
<td>48</td>
<td>13</td>
<td>Grow corn, Use Harvey water for irrigation, potentially lease 40 C-81 units to other users</td>
</tr>
<tr>
<td>1996</td>
<td>average</td>
<td>93</td>
<td>26</td>
<td>Grow corn, use all the water for irrigation</td>
</tr>
<tr>
<td>1997</td>
<td>average</td>
<td>79</td>
<td>5</td>
<td>Grow corn, use all the water for irrigation</td>
</tr>
<tr>
<td>1998</td>
<td>dry</td>
<td>181</td>
<td>76</td>
<td>Potentially grow short corn crop or grow fully-irrigated sorghum, use all the water for irrigation</td>
</tr>
<tr>
<td>1999</td>
<td>average</td>
<td>65</td>
<td>5</td>
<td>Grow corn, use all the water for irrigation</td>
</tr>
<tr>
<td>2000</td>
<td>very dry</td>
<td>202</td>
<td>125</td>
<td>Potentially grow fully-irrigated sorghum or fallow and lease all the water to other users</td>
</tr>
<tr>
<td>2001</td>
<td>dry</td>
<td>158</td>
<td>100</td>
<td>Potentially grow short corn crop or grow fully-irrigated sorghum, use all the water for irrigation</td>
</tr>
<tr>
<td>2002</td>
<td>very dry</td>
<td>331</td>
<td>247</td>
<td>Fallow and lease all the water to other users</td>
</tr>
</tbody>
</table>

* Assumes 22 Harvey Ditch shares at 50 percent loss.

Little Thompson Farm – Financial Viability

• Harvey Economics

• Variables considered
  • Wet/dry/very dry years
  • Water supply
  • Various crop mixes
  • Current market conditions

• Is farming with water supply resulting from ATM financially viable? Yes
Final Review
July 27, 2017

Little Thompson Farm
Water Sharing Agreement - IGA

Staff
Castino

Values (shown in bold):

<table>
<thead>
<tr>
<th>Scenic</th>
<th>Significant Plants/Natural</th>
<th>Agricultural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffer</td>
<td>Communities</td>
<td>Geological/Paleontologic</td>
</tr>
<tr>
<td>Wildlife</td>
<td>Outdoor Recreational</td>
<td>Educational</td>
</tr>
<tr>
<td>Wetlands</td>
<td>Historic/Archaeological</td>
<td>Other (explain in narrative)</td>
</tr>
</tbody>
</table>

Project Description: Larimer County Open Lands Program has preserved approximately 33,000 acres, but less than 1,000 of those acres are irrigated farmland. This is primarily due to the associated water rights being cost-prohibitive. Meanwhile, Larimer County's farmland and agricultural water have been and continue to be converted to other uses at a rate of 4,500 acres of land per year, which threatens the scenic buffers to our communities and sense of place, our local food supply, as well as a major component of our local economy. To curb this trend, Larimer County set out to conserve viable, irrigated farmland in perpetuity and offset the cost by piloting a water sharing agreement with a municipal water provider. The Colorado Water Conservation Board (CWCB) provided $178,425 in funding to hire a team of consultants and develop a water sharing agreement that ensured a viable farm, summarized in the Farm and Water Plan to be finalized upon signing the agreement. Now, Larimer County and the City and County of Broomfield are entering into an innovative, novel water partnership, which allows Larimer County to conserve a working farm in perpetuity and Broomfield to provide a reliable source of water for its citizens without buying up a farm for its water. If completed, this project will be Colorado’s first perpetual agricultural-to-municipal ATM project.

Larimer County and the City and County of Broomfield, are poised to close on a water sharing partnership that will reduce the cost of conserving the farm by 43.8% while ensuring the farm will remain viable into the future. With this agreement, Larimer County will meet its goal of conserving 211 acres of productive farmland and water, just southwest of Berthoud, for its agricultural, water, historic, scenic, community buffer, and educational values. This partnership also achieves Broomfield’s goal of acquiring dependable water supply for its growing population and securing reliable drought, drought-recovery, and emergency water at a significant reduced cost, lower impact, and less maintenance than acquiring the water outright.

Larimer County and the City and County of Broomfield are proposing to enter into an Intergovernmental Agreement both to transfer and share water (terms sheet summary attached). This water sharing agreement or ATM creates a model for farmers and municipalities to work together, protecting farmland while making water available for municipal and industrial uses. Larimer County is proposing to sell 115 units of Colorado-Big Thompson (C-BT) water to Broomfield at $25,550/unit and we have requested, through the CWCB Alternative Transfer Methods Grant Program $450/unit to close the negotiation gap on the purchase price of $26,000/unit. Larimer County would also share with Broomfield 80 units of C-BT water for $10,400/unit or 40% of market value. These units will be available to Broomfield 3 out of 10 years with an additional fee to use the water, which will help cover the costs on the farm during those years. Larimer County will retain 45 units of C-BT water on the farm, plus the native water that was purchased with the farm, and the 80 units will be available in most years, to ensure the farm remains productive. We are working toward closing, subject to Northern Water’s review and approval, in mid-August.
The 2015 Colorado Water Plan identified a 600,000-1,000,000 acre/feet water supply gap by 2050 that is expected to come from agriculture by purchasing the water and land that is currently used for farming and using the water in cities instead. To help bridge this gap, the Water Plan set a goal of sharing 50,000 acre/feet through agreements like this one that they call Alternative Transfer Methods or ATMs. The Gates Family Foundation also committed $100,000 in funding to demonstrate its support of innovative water partnerships in Colorado and across the West. The funds will be disbursed to Larimer County when the deal closes.

By successfully piloting this agreement, Larimer County and the City and County of Broomfield are demonstrating that, by working together and sharing valuable resources, it is feasible to preserve fast-disappearing farmland at a reduced cost and secure a perpetual source of drought-firming water for our growing cities.

**Priority Area:** Berthoud/Agricultural Conservation  
**Water Rights:** 240 C-BT units: 45 units to be retained unencumbered, 115 to be sold outright with a first-right-of-refusal to lease back when available, and 80 units in the water sharing agreement.  
**Value Estimate:** $3,770,250 from IGA = $2,938,250 from sale of 115 units, $832,000 from ATM  
$100,000 from Private Family Foundation upon execution of ATM (dedicated)  
$51,750 from Colorado Water Conservation Board ATM grant (request pending)

**Partners**  
- City and County of Broomfield: Financial  
- Colorado Water Conservation Board: Financial  
- Private Family Foundation: Financial

**Funding Sources:**  
- City and County of Broomfield: $3,770,250  
- Private Family Foundation: $100,000  
- Colorado Water Conservation Board (request pending): $51,750  
**TOTAL:** $3,922,000

**Closing Date(s):** Mid-August

**Evaluation Criteria**  
**Values**  
- Environmental/Ecological: Med  
- Scenic/Aesthetic/Sense of Place: High  
- Outdoor Recreation: N/A  
- Historical/Archaeological: N/A  
- Agricultural: High  
- Geological/Paleontological: N/A  
- Information/Education: Med  
- Context: High  
- Political Factors: High  
- Price: High
Term Summary Sheet of Intergovernmental Agreement
By and Between
The City and County of Broomfield and
Larimer County
For the Sale and Shared Use of Colorado-Big Thompson Units

Financial Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of 115 C-BT units:</td>
<td>$2,990,000 ($25,550/unit from Broomfield, $450/unit from CWCB grant (pending)) +</td>
</tr>
<tr>
<td>ATM on 80 units:</td>
<td>$832,000 ($10,400/unit x 80 units)</td>
</tr>
<tr>
<td>Private Foundation Grant:</td>
<td>$100,000 to be awarded at signing of ATM</td>
</tr>
</tbody>
</table>

Total payment at closing: $3,922,000

Ongoing ATM payments when Broomfield uses the ATM water: $18,000/year ($225 per unit) with price escalator beginning in 2028

Financial Details and Major Terms of the Agreement

Sale of C-BT:
Larimer County is proposing to sell Broomfield 115 Colorado-Big Thompson (C-BT) units outright for $26,000/unit, with Broomfield paying $25,550/unit, and CWCB ATM grant funding $450/unit (pending) for a total payment to Larimer County of $2,990,000.
1. Broomfield is paying the transfer fees to Northern Water.
2. The sale is subject to the ATM being approved by Northern Water’s Board.
3. Larimer County will retain a Right of First Refusal to lease back these 115 units any time Broomfield is putting them up for lease, for assessment costs plus a 10% administrative fee.

Water Sharing (ATM) with C-BT:
Larimer County is proposing to execute a water sharing agreement with Broomfield on 80 C-BT units, to be approved as a “sub-lease” on these units by Northern Water’s Board of Directors according to their subcontracting rules. The purchase price for this water sharing portion is $10,400/unit (40% of $26,000) for a total of $832,000.
1. Larimer County will remain the allottee (owner) of the ATM water subject to Broomfield’s right to lease the water 3 in 10 years for municipal and industrial uses.

2. Ongoing ATM Payments: Broomfield will also pay the assessment costs to Northern Water plus a dry-year lease payment of $225/ unit to Larimer County in the years Broomfield uses the water. This rental fee will be subject to a price escalator beginning in 2028. The rental fee in current-day dollars would total $18,000.

3. Broomfield will notify Larimer County by January 31st if they intend to use the 80 units that year. After January 31st and up until June 1st, Broomfield may give “Late Notice” and use the water, so long as they reimburse all crop-related expenses incurred after January 31st through the date of Late Notice, including but not limited to purchase or planting/application of seed, fertilizer, labor expense, equipment use/rental, and such other reasonable expenses.

4. Broomfield is not required to exercise its option for the 80 C-BT units any year, and will not be charged during the years of non-use. Broomfield must take and pay for all of the 80 C-BT units when it does exercise the option (no partial exercise).

5. When Broomfield exercises its option for the 80 C-BT units, Broomfield agrees not to lease the water or any portion to others.

6. During periods of prolonged drought, the Parties agree to evaluate, in good faith and consistent with its goal of maintaining the Little Thompson Farm as a viable, working, irrigated farm, allowing Broomfield to use the ATM water more than 3 out of every 10 years.

7. Should Larimer County ever sell the 80 units separate from the farm, Broomfield retains a first right of refusal to purchase the units. If Broomfield chooses not to exercise its right, it will receive 40% of the proceeds of the sale of the 80 units.

8. Both entities agree to work cooperatively towards NCWCD’s approval of the Subcontract of the C-BT Water and to split the costs of NCWCD’s review fees evenly.