



KERRI ROLLINS
Open Lands Program Manager

Sharing Water to Save the Farm

Citizen Feedback



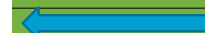
Larimer.org/olmasterplan

Table 3-1. Land Conservation Needs Assessment Summary

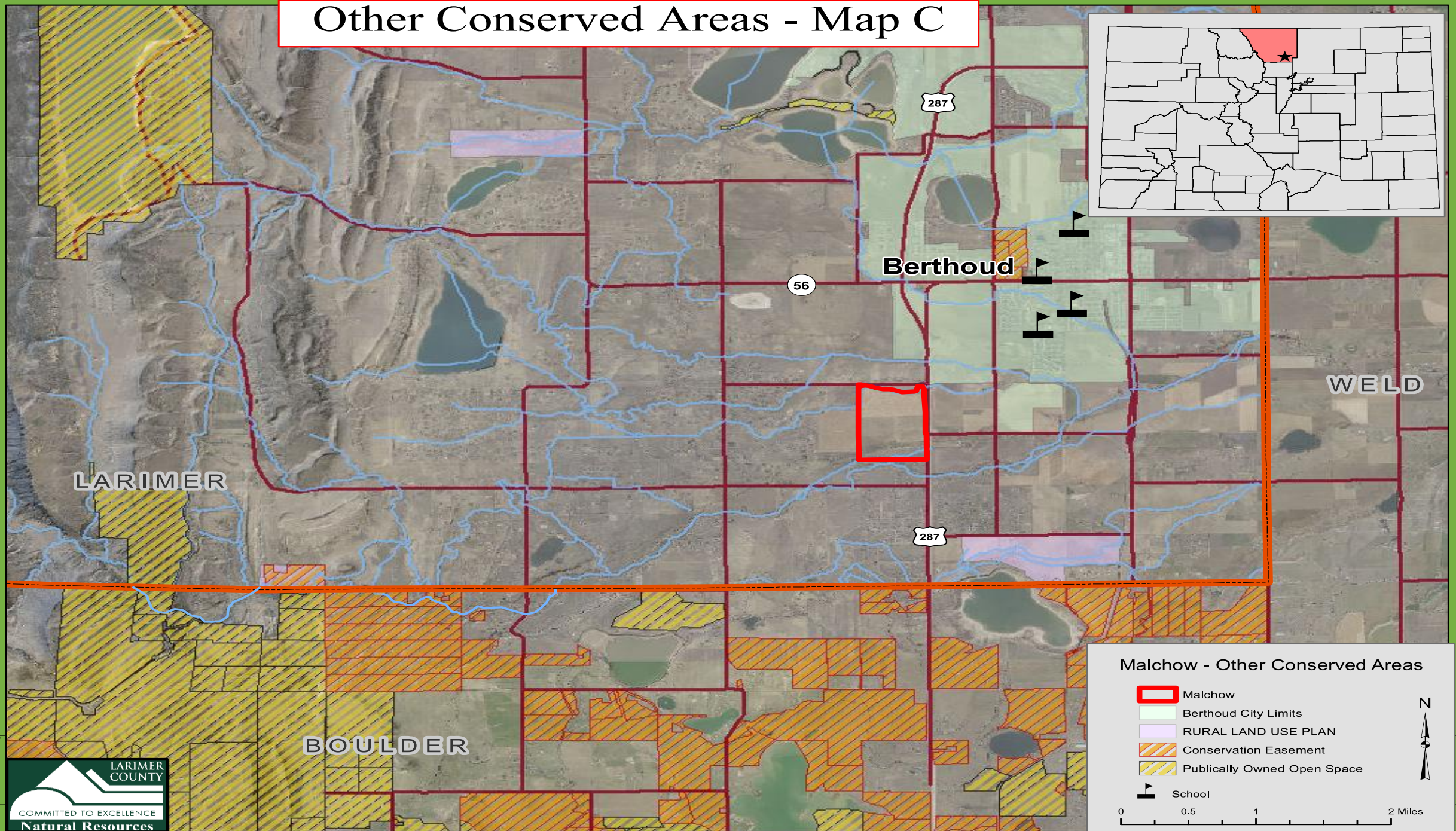
	Our Lands - Our Future Outreach	Plug In To Nature Outreach	Master Plan Update Outreach
Conserve lands to protect lakes, rivers, streams and preserve water quality			
Conserve lands to protect natural resources, wildlife habitat and rare species			
Conserve lands for more outdoor recreation opportunities			
Conserve lands to create greenways or trail corridors that connect communities and parks			
Conserve lands to preserve working farms and ranches			
Conserve lands within our communities near neighborhoods and schools			
Conserve community separators (open lands between cities and towns)			
Conserve regional lands			
Conserve historic sites or renovate historic structures			
Invest in management and maintenance of current natural areas and facilities			
Invest in additional paved and natural surface trails			
Invest in additional trailheads, parking, shelters, facilities, etc.			
Restore and rehabilitate rivers and open lands			
Acquire water rights for in-stream flows and wildlife habitat			
Secure water for agricultural lands			
Provide land for emerging farmers and small acreage farming			
Conserve land with proximity to existing open space			

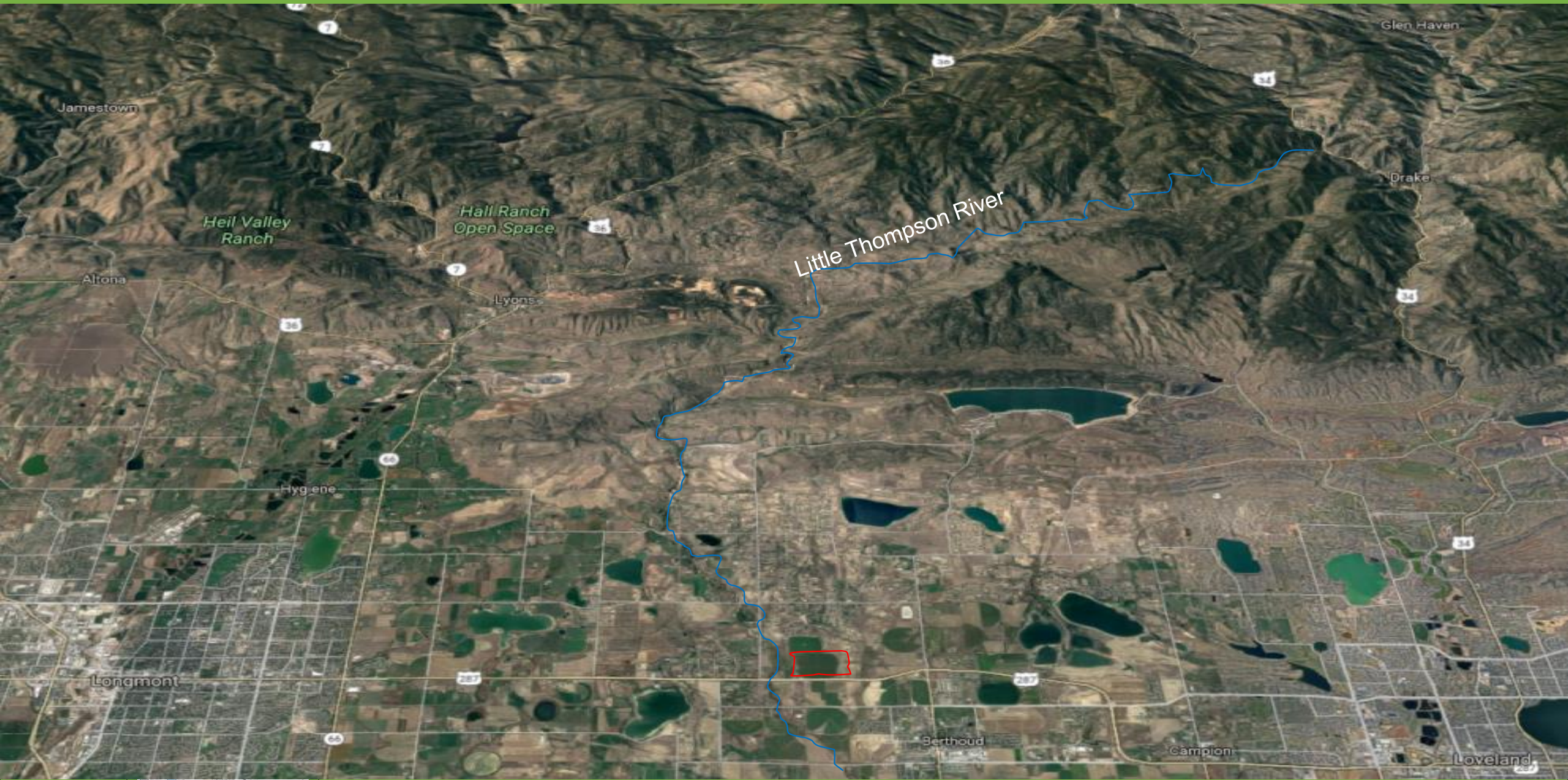
Dark Brown = Top priority; Light Brown = Secondary Priority; White = either not a priority or the question was not repeated in this study.

*In effort not to duplicate efforts from previous studies, these surveys asked a limited number of questions to gather additional feedback. Not all questions were asked in all studies.

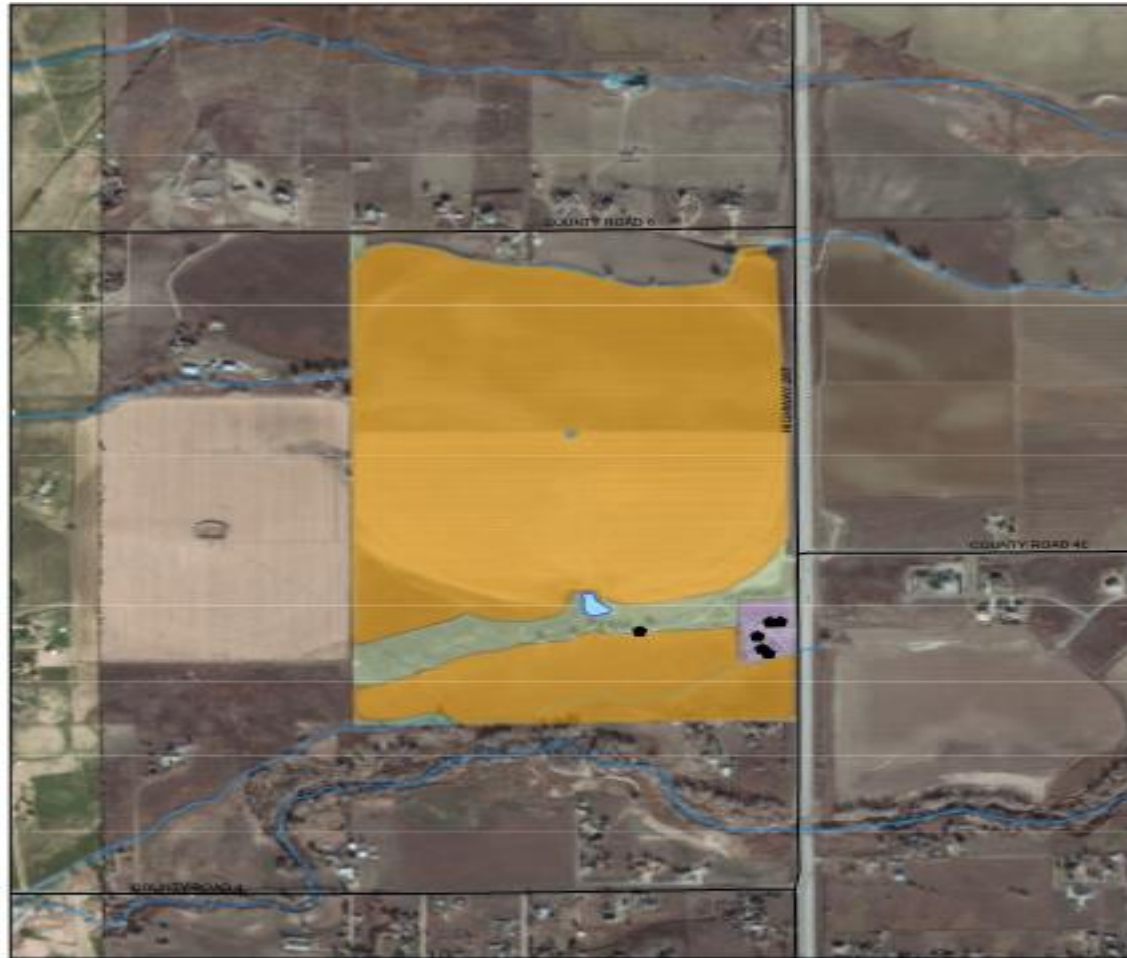


Other Conserved Areas - Map C





Conservation Values and Quality of Life Benefits



Legend



0 0.05 0.1 0.2 Miles



Resource	Appraised Value
211 acres, Minerals, Improvements	\$1,700,000
240 C-BT Units	\$6,240,000
16 Handy shares	\$640,000
Total	\$8,580,000

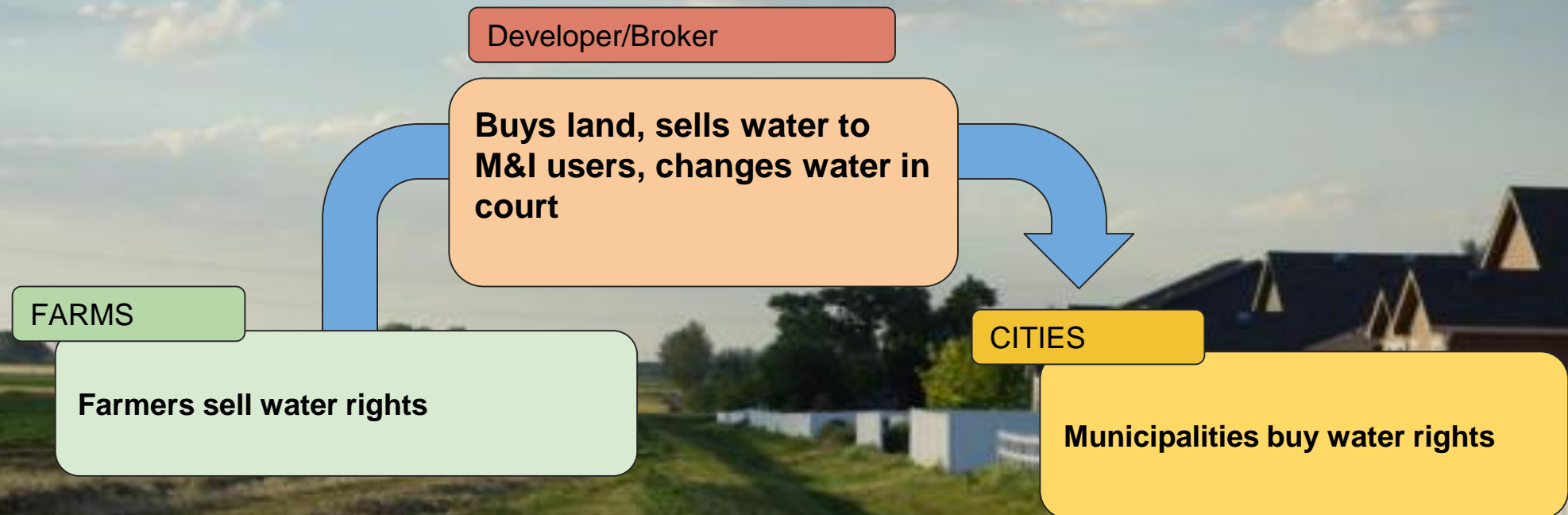
- Scenic/Open space
- Buffer/Community Separator
- Local economy and food production
- Community connection to cultural and Institutional knowledge
- Education
- Historic
- Wildlife habitat
- Groundwater recharge
- Flood surge control

Project Goals

- Conserve a viable farm in perpetuity
- Seek financial partnerships
- Potentially create a new tool, catalyst



“Buy and Dry” Business as Usual



ATMs–A New Paradigm



Competition Over Water

- Agriculture accounts for 30% of Larimer County's total land area, or half a million acres.
- 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.

When Water Is More Valuable Than Crops, Farms Can't Compete With Thirsty Cities

by Luke Runyon, Harvest Public Media



In Colorado, Farmers and Cities Battle Over Water Rights

Listen · 4:57 Queue

May 28, 2016 5:07 PM ET
Heard on All Things Considered

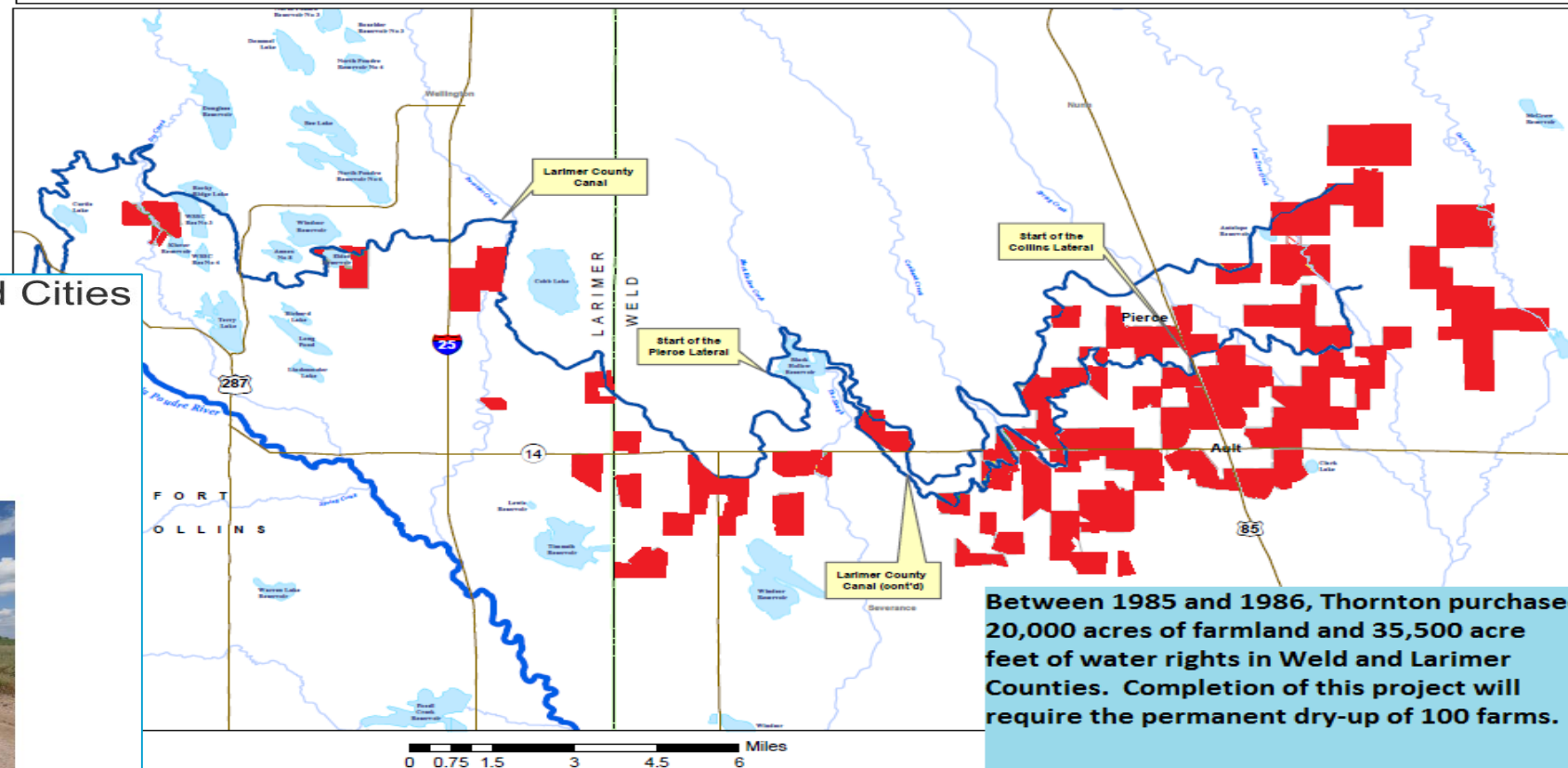
LIZ BAKER



Ault Mayor Butch White stands on a road dividing two farms, one irrigated and one dried up.

Liz Baker

Thornton Farm Map



Between 1985 and 1986, Thornton purchased 20,000 acres of farmland and 35,500 acre feet of water rights in Weld and Larimer Counties. Completion of this project will require the permanent dry-up of 100 farms.

Process

- Expertise - CWCB ATM Grant
- Make it legal - Northern Water rulemaking
- Outreach to Potential Partners
 - Started Local and expanded to Northern Colorado
 - Financial
 - Water Supply and Portfolio
 - Willingness and Capacity to try something new
- City and County of Broomfield

Project Team funded by CWCB Grant

PROJECT MANAGER

Todd Doherty, Western Water Partnerships

WATER ATTORNEY

Dan Brown, Fischer, Brown, Bartlett and Gunn

WATER ENGINEERS

Matt Lindburg and Isabelle Lheritier, Brown and Caldwell

ECONOMIST

Ben Norman, Harvey Economics

AGRONOMIST

Brad Walker, Centennial Ag and AgSkill Inc.

OPEN LANDS ADVISORY BOARD AND AGRICULTURAL ADVISORY BOARD LIAISONS

Jason Brothers and George Wallace

COLORADO WATER CONSERVATION BOARD GRANT MANAGER

Craig Godbout

CONSULTATIONS WITH

Handy Ditch Board, Dry Creek Lateral, Farm Lessee



Little Thompson Farm and Water Viability Plan

www.Larimer.org/naturalresources/openlands/Little-Thompson-Farm-Water-Viability-Plan

Assures that under the new water portfolio:

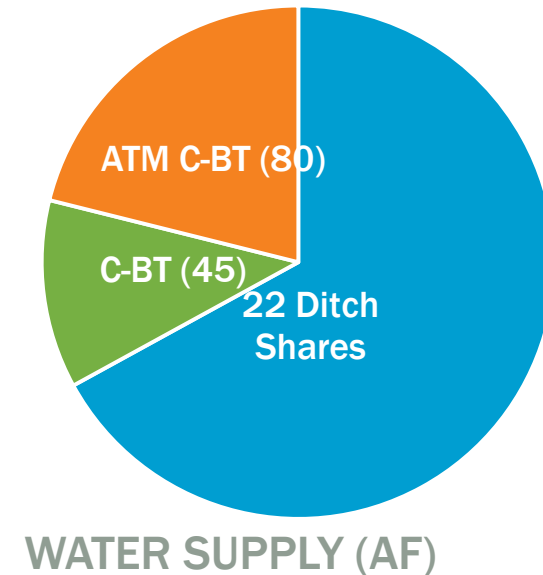
- the farm can be financially viable (for the foreseeable future)
- through various economic and hydrologic conditions.

Little Thompson Farm

Engineering Considerations

Water Needs

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



Little Thompson Farm Financial Viability

- 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**



HARVEY ECONOMICS



Major Terms of IGA

Financial Viability

- Sale:
 - 115 units @ \$26,000/unit
- ATM:
 - 80 units shared 3/10 years
 - + 40% up front payment
 - + \$225/unit when exercised
- Annual assessments

Farming Viability

- Notice by January 31
 - Late Notice by June 1, with reimbursement
- No partial exercise
- No leasing units
- Dry-year payment
- Lease-back option on 115 units

Farm's New Water Portfolio

125 C-BT units (80 ATM + 45 unencumbered)
16 Handy + buy/lease 6 additional Handy

Cost of Buying the Farm & Water

	Value	Cost to LC	Amount Leveraged	Source
Land, Minerals, Improvements, Handy Shares	\$2,340,000	\$2,060,000	\$100,000 \$180,000	Larimer County Berthoud Negotiated
240 C-BT Units	\$6,240,000	\$6,240,000		Larimer County
Total	\$8,580,000	\$8,300,000	\$280,000 or 3%	

Project Costs Leveraged with ATM

	Value	Cost to LC	Amount Leveraged	Source
Land, Minerals, Improvements, Handy shares	\$2,340,000	\$2,060,000	\$100,000 \$180,000	Larimer County Berthoud negotiated
C-BT water				
45 units	\$1,170,000	\$1,170,000		Larimer County
115 units	\$2,990,000		\$2,938,250 \$51,750	Broomfield CWCB
80 units	\$2,080,000	\$1,148,000	\$832,000 \$100,000	Larimer County Broomfield Gates Family Foundation
Total	\$8,580,000	\$3,738,000	\$4,842,000 = 56%	

Lessons Learned

- Team of experts is invaluable
- Engage all stakeholders
- Stick to your project goals but be flexible on the tradeoffs
- Trust your team and minimize the cooks
- Dedicate the staff time necessary to be successful
- Educate decision-makers and anticipate obstacles
- You can't please everyone
- Nothing will change if you don't try new things!



ATMs can help diverse interests work together to achieve their goals

- Larimer County conserved a viable irrigated farm, in perpetuity, at a reduced cost
- Broomfield secured perpetual drought-firming water and needed water supply at a fraction of the cost and lower impact.
- This perpetual ag-to-muni agreement provides a template for future partnerships and contributes to CWP's water sharing goal





Questions & Discussion

Kerri Rollins, Open Lands Program Manager, 970-619-4577 or krollins@Larimer.org or Alex Castino, Land Agent, 970-498-5710

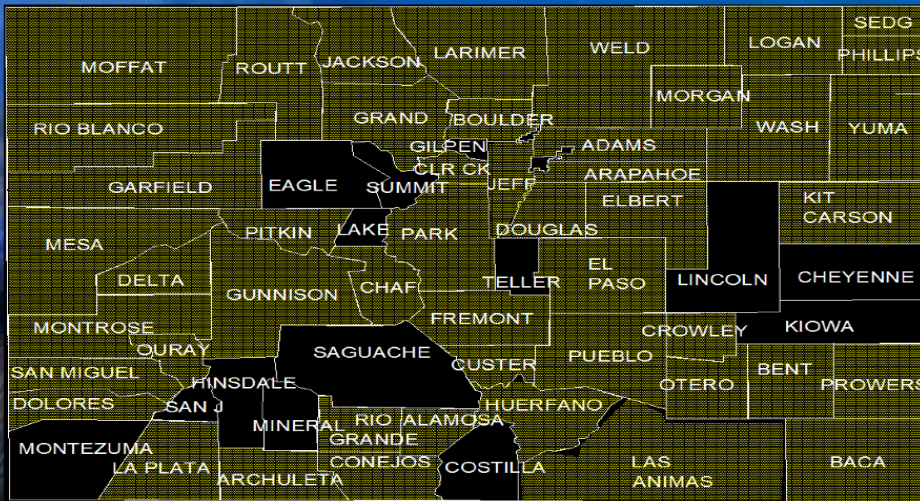
Todd Doherty, Western Water Partnerships, 303-518-4741, todd.Doherty@westernwaterpartnerships.com

Farmers want more options:

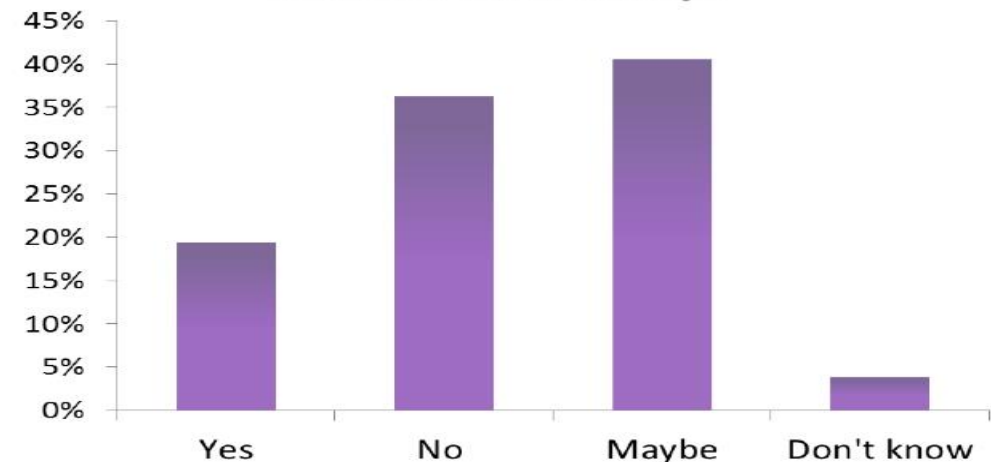
Colorado Cattleman's Association 2016 Study

- 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.

Survey Responses



Would You Participate in an Ag Water Lease if Asked Today ?



Broomfield: Initial Barriers



Lack of Control

Mitigated by flexibility of deal



Cost

Started negotiation trade-off tables and took a hard look at cost vs. value



Too Many Options

Began scaling down options to those that would work with CCOB's framework



Being First

Reframed into Positive

- No rules to follow
- Ability to craft from the ground-up
- Customizable to CCOB



Team Size And Schedule

Interest in project value and success at the staff

Why it Worked for Broomfield



Strength of Portfolio and Timing



City Council and Community Support



Lack of Control Mitigated by Flexibility



Infrastructure



Price Point



Auxiliary Expertise

(Agronomist, Economist, Engineering and Legal Support)