



DEPARTMENT OF NATURAL RESOURCES

• Visitor Services

• Open Lands

• Weed Management & Forestry

1800 South County Road 31

Loveland, CO 80537

(970) 619-4570/ (970) 619-4574 FAX

www.larimer.org/naturalresources

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

August 27, 2015

Dear Mr. Godbout,

Per your request I would like to supplement our recent grant application with some additional information specifically related to a potential land and water acquisition currently under negotiation in Larimer County. If our grant request is funded, it will be used to help facilitate and implement the closing of a working farm property, known as Malchow, in the Berthoud area.

The property is located just north of the Little Thompson River on the west side of Highway 287 and on the south side of County Road 6, one mile southwest of Berthoud and just outside of Berthoud's Urban Growth Area. The landowner is Malchow Farms LLLP and the Malchow sisters have been the signatory parties on behalf of the LLLP since the death of their brother about 1 year ago.

The farm is approximately 210 acres. Of that, approximately 188 acres are irrigated, 18 are in pasture and a small 5-acre area surrounds the farmstead buildings. The land is primarily irrigated by a center pivot sprinkler system and flood irrigation, growing mostly corn, sugar beets, alfalfa and hay via a year-to-year farming lease held by a neighbor. The bottom portion of the property is within the 500-year floodplain of the Little Thompson River.

Water rights on the property consist of: 240 units of CBT; 16 shares of Handy Ditch; 20 shares of Dry Creek Lateral.

After the death of their brother, the sisters listed the property for \$8.5 million and a contract was quickly placed on the land. Larimer County Open Lands, whose interest is to keep the land a working farm for young or emerging farmers (per our recent 2015 *Open Lands Master Plan*), believed the opportunity to be lost. However, one of our land agents decided to follow up and see if the property had actually closed. Amazingly, the deal had fallen apart and we were able to negotiate a deal with the sisters. We are now in the final stages of signing a contract. They are highly interested in keeping the land as a working farm in memory of their families' history, as well as their late brothers' honor, and are willing to wait on closing until the outcomes of this grant are in place.

Over the past few months we have had sought and received advice from a myriad of professionals as we think about how to conserve a relatively small piece of land with very expensive water. We engaged several members of the Poudre Sharing group, our own Open Lands Advisory Board (OLAB), and our local government counterparts that have been successful with farm and water conservation. For example, Jason Brothers is a water engineer on OLAB while George Wallace and Mary-Lou Smith (CSU), Steve Malers (Open Water Foundation), Andy Jones (water attorney), Mark Sears (City of Fort Collins), Todd Doherty (City of Boulder), Janis Whisman (Boulder County), and Brad Wind (Northern

Water) helped explain Alternative Transfer Methods, water sharing agreements, and interruptible water supply agreements. George made at least one presentation to our OLAB about these complicated concepts, and Fort Collins Natural Areas provided examples of agreements they have used with their water utility. The County enlisted Bill Fischer, a local water attorney, to review the land and water purchase contract sent to the Malchows realtor, on our behalf.

If funded, the County must follow standard procurement processes to hire a project manager and subsequent attorney's and engineers. Based on our experiences to date, we feel confident that the kind of assistance we need to close this deal is available.

If you have any further questions, comments or concerns, please do not hesitate to contact me. I look forward to any feedback you may have, and to an ultimate decision by your board. Thank you!

Respectfully,

A handwritten signature in black ink that reads "Kerri L. Rollins". The signature is written in a cursive, flowing style.

Kerri L. Rollins, Manager
Larimer County Open Lands Program



COLORADO FARM BUREAU

9177 East Mineral Circle · Centennial, CO 80112
Mailing Address: PO Box 5647, Denver, CO 80217
(303) 749-7500 · Fax (303) 749-7703
www.ColoradoFarmBureau.com

September 2, 2015

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

Dear Mr. Godbout,

I am writing to add the support of Colorado Farm Bureau to the Larimer County Open Lands Program request for ATM funds to implement their ATM Pilot Project. The Colorado Farm Bureau, the state's largest grassroots agriculture organization, believes this project has the potential to make a high impact in the preservation of valuable and productive irrigated farmland in northern Colorado, a region that is rapidly urbanizing. It cannot be stressed enough that this is a real ATM project that will provide perpetual dry-year water to a municipal provider as well as preserving the farm(s) for generations to come. This will be a first of its kind in Colorado.

We believe the concept of local governments, Larimer County in this agreement, and municipal water providers, working together to preserve important irrigated agricultural lands and developing perpetual water supply agreements has great potential and has not been attempted in this way to date. Considering the high value associated with the land and the water rights in Northern Colorado, we believe this proposal is taking the correct approach: leveraging limited funds of multiple interests (i.e. municipal providers, open space programs and farmers), to create a program with multiple objectives (i.e. preservation of agricultural lands and production of interruptible water supplies).

Colorado Farm Bureau has supported efforts to find viable methods of keeping water in agriculture while meeting the growing demand of our cities. We believe that this proposal is unique in that it not only seeks to develop an alternative water transfer method but also protects agriculture in the fast growing urban Front Range corridor which provides important attributes of open space, locally produced agriculture and associated environmental benefits. I am pleased to continue this tradition by lending Colorado Farm Bureau's support to this project to preserve agriculture and better utilizes Colorado's most precious natural resource.

Thank you for your consideration of this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Shawcroft". The signature is written in a cursive, flowing style.

Don Shawcroft
President, Colorado Farm Bureau

**Utilities**

electric · stormwater · wastewater · water
700 Wood Street
PO Box 580
Fort Collins, CO 80522

970.221.6700

970.221.6619 – fax
970.224.6003 – TDD
utilities@fcgov.com
fcgov.com/utilities

August 31, 2015

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

Dear Mr. Godbout,

The City of Fort Collins Utilities (Utilities) would like to express interest in participating in the Larimer County Open Lands Program's Open Space ATM Pilot Project. Specifically, Utilities would be interested in exploring firm, dry-year water supplies that are perpetual in nature and believe this project has the potential to deliver this type of valuable water.

As a growing community in Northern Colorado, we expect to have a continued need for safe, reliable water supplies for the foreseeable future. The concept of entering into a water sharing agreement between Larimer County and a community such as Fort Collins may be attractive as this could provide critical dry-year water without the need to dry up an irrigated farm. As described in its Water Supply and Demand Management Policy, Fort Collins and its citizens value the benefits of irrigated agricultural within Northern Colorado, including its contributions to the economy, open space and lifestyle.

We realize that Larimer County is seeking funding from the Colorado Water Conservation Board to help fund a couple of pilot projects of this nature. With the growth expected in Northern Colorado, we urge the funding of their project as this concept has the potential to help communities obtain critical water supplies while preserving our irrigated lands in the region.

It is understood that one of the purposes of this project is to develop a water sharing agreement between Larimer County and a water provider such as Fort Collins Utilities. This letter is to express our interest in participating in such an agreement and provide our support of the overall concept. However, Utilities would need to know significantly more about the terms and conditions of such an agreement to further weigh the viability of the concept. Thus, this letter of support should not be construed as binding in any way.

Sincerely,

A handwritten signature in blue ink that reads "Donnie Dustin". The signature is fluid and cursive, with the first name "Donnie" and last name "Dustin" clearly legible.

Donnie Dustin, P.E.
Water Resources Manager, City of Fort Collins Utilities

Directors:
Bill Szmyd, President
Bob Acker
Larry Brandt
Peter Bridgman
Paul Bukowski
Kathy Gallivan-Crist
Ed Martens



District Manager:
James C Hibbard
835 E Hwy 56
Berthoud, CO 80513

P 970.532.2096
F 970.532-3734
www.LTWD.org

August 31, 2015

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

Dear Mr. Godbout,

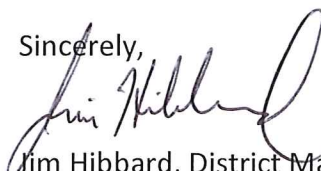
The Little Thompson Water District would like to express interest in participating in Larimer County Open Lands Program's Open Space ATM Pilot Project. Specifically, we are interested in obtaining dry-year water supplies that are perpetual in nature and we believe this project has the potential to deliver this type of valuable water.

We serve a growing community in Northern Colorado, and we will have a continued need for reliable water supplies. We are interested in both CB-T and native water within our District. Larimer County's proposed project could meet these needs. The concept of entering into a water sharing agreement between Larimer County and our District is attractive as this could provide critical dry-year water without the need to dry up an irrigated farm in our region. It could also provide us the opportunity to obtain the more expensive CB-T water.

We realize that Larimer County is seeking funding from the Colorado Water Conservation Board to help fund a pilot project of this nature. With the rapid growth of Northern Colorado, we urge the funding of their project as this concept has the potential to help us obtain additional water supplies while preserving the scenic, irrigated lands in the region – a value we all share.

We also understand that one of the purposes of this project is to develop a water sharing agreement between Larimer County and a water provider such as the Little Thompson Water District. This letter is to express our interest in participation in such an agreement and our support of the overall concept but should not be construed as binding in any way.

Sincerely,



Jim Hibbard, District Manager
Little Thompson Water District



August 20, 2015

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

Dear Mr. Godbout,

The **Town of Milliken** would like to express interest the participation in Larimer County Open Lands Program's Open Space ATM Pilot Project. Specifically, we are interested in obtaining firm, dry-year water that is perpetual in nature and we believe this project has the potential to deliver this type of valuable water.

As a growing community in Northern Colorado, we expect to have a continued need for safe, reliable water supplies for the foreseeable future. The concept of entering into a water sharing agreement between Larimer County and a community such as **Milliken** is attractive as this will provide us critical dry-year water without the need to dry up an irrigated farm in our region. **Milliken** and its citizens value the benefits of irrigated agricultural within Northern Colorado including its contributions to the economy, open space and lifestyle.

We realize that Larimer County is seeking funding from the Colorado Water Conservation Board to help fund a couple of pilot projects of this nature. With the rapidly growth of Northern Colorado, we urge the funding of their project as this concept has the potential to help communities like **Milliken** obtain critical water supplies while preserving our irrigated lands in the region.

We also understand that one of the purposes of this project is to develop a water sharing agreement between Larimer County and a water provider such as **Milliken**. This letter is to express our interest in participation in such an agreement and our support of the overall concept but should not be construed as binding in any way.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent Brown".

Kent Brown
Town Administrator



September 4, 2015

Mr. Craig Godbout
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80203

Dear Mr. Godbout,

This letter is in support of Larimer County Open Lands Program's request for CWCB Alternative Agricultural Water Transfer Methods Grant funds to implement their ATM Pilot Project. The National Young Farmers Coalition supports this project as it has the potential to make a high impact in the preservation of valuable and productive irrigated farmland in northern Colorado, a region that is rapidly urbanizing. Preservation of irrigated farmland is essential to ensuring young and beginning farmer success. It cannot be stressed enough that this is a real ATM project that will provide dry-year water to a municipal provider in perpetuity as well as preserving the farm(s) for generations to come. This will be a first of its kind in Colorado.

We believe the concept of local governments such as Larimer County and municipal water providers working together to preserve important irrigated agricultural lands and developing water supply agreements in perpetuity has great potential and has not been attempted in this way to date. Considering the high value associated with the land and the water rights in northern Colorado, we believe this proposal is taking the correct approach: leveraging limited funds of multiple interests (i.e. municipal providers, open space programs and farmers) to accomplish complementary objectives by preserving agricultural lands, producing interruptible water supplies that keep farms in business and provide dry-year security for municipal and industrial providers.

The National Young Farmers Coalition supports efforts that keep water on the land, working farmland in production, and that connect young and beginning farmers to the land. This proposal is unique in this regard. It not only seeks to develop and test an innovative model for implementing alternative water transfer mechanisms that can be replicated in other Colorado communities, but also protects agriculture in the fast growing Front Range urban corridor which

National Young Farmers Coalition
1221 Main Ave Durango, CO 81301 & PO Box 1074 Hudson, NY 12534
youngfarmers.org

provides important local agricultural opportunities for young farmers and economic activity that protects open space and offers critical ecosystem services and other environmental benefits.

Thank you for your consideration of this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kate Greenberg', with a stylized, flowing script.

Kate Greenberg
Western Organizer, National Young Farmers Coalition