

**Alternative Agricultural Water Transfer Methods – Competitive Grant Program**  
**Water Activity Summary Sheet**  
**September 15-17, 2015**  
**Agenda Item 20**

**Applicant & Fiscal Agent:** Larimer County

**Water Activity Name:** Open Space ATM project

**Water Activity Purpose:** Pilot project to implement in the South Platte basin a permanent interruptible ATM water supply for a M&I provider while providing perpetual protection of irrigated lands.

**Drainage Basin:** South Platte

**Water Source:** CB-T and native South Platte basin water

**Amount Requested:** \$178,425

**Matching Funds:** \$20,000 total cash match from (11.2% of total grant request)  
\$25,000 in-kind match

<b>Staff Recommendation</b>
-----------------------------

Staff recommends approval of up to \$178,425 from the Alternative Agricultural Water Transfer Methods Program to help fund the “Larimer County Open Space ATM Project”.
---

**Water Activity Summary:** The Larimer County Open Lands Program (LCOLP) will lead the effort to prove the concept of implementing a permanent Alternative Agricultural Water Transfer Methods (ATM) water supply for an M&I provider located within the South Platte River basin. This project will implement up to two ATM pilot projects providing for the perpetual protection of irrigated farm land and perpetual use and ownership of interruptible water supplies by a participating M&I water provider.

LCOLP will acquire the fee title or development rights for up to two irrigated farm properties with the intent of preserving the land for its conservation values (e.g. agricultural production, scenic, open space, recreation, environment and/or historical significance) and partnering with an M&I water provider to cover part of the purchase price, and execute a water sharing agreement with the M&I provider to provide an interruptible water supply to the M&I provider while also providing a perpetual agricultural water supply.

Through the implementation of up to two pilot projects, LCOLP intends to develop a model for future LCOLP projects and other similar ATM project sponsors. While each farm will have its unique attributes, including its water rights, this project will help to establish guidance for those wanting to replicate the approach. To ensure this, the applicant will provide a report detailing the financial, legal and technical considerations and lessons learned. This will describe the approach and criteria used for selecting a candidate farm, the pre-purchase due diligence, negotiations with the M&I provider(s), development of an interruptible water supply agreement, land preservation options, further development of a farm and water management program (since Larimer County Open Lands currently owns very few water rights), water right court and/or administrative processes and the financial analyses, tools and agreements.

This project seeks to demonstrate farms with two general categories of water rights: (1) a farm with primarily Colorado Big Thompson Project (C-BT) water rights with some native rights, and (2) a farm with primarily native water rights. Each of these farm types have advantages and disadvantages which are more thoroughly described in the statement of work.

The LCOLP is prepared to purchase up to two irrigated farms and develop pilot ATM projects with participating M&I water providers. When determining which farms to acquire for this pilot, we will use criteria established by the County's Agricultural Advisory Board, known as LESA (Land Evaluation Site Assessment), along with additional criteria to be developed in this project by staff and consultant team to ensure the candidate farms will be suitable for an ATM project (e.g. seniority, ability to delivery water to water provider, onsite recharge/augmentation capability, etc.). This process and other specifics such as crop types, yields and annual water diversions will be documented in the final report to the CWCB.

LCOLP has informally discussed this project with several M&I water providers (districts and towns) in Northern Colorado and has received confirmation that they would participate in a pilot project. Since each pilot farm will differ in the ability to deliver the ATM water to each M&I water provider, we will wait until the farm is identified prior to negotiating with a given water provider. This process and other specifics such as a description of the M&I water provider's system will be documented in the final report to the CWCB.

**Discussion:** No further discussion is required.

**Issues/Additional Needs:** No issues or additional needs have been identified.

**CWCB Project Manager:** Craig Godbout

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the Criteria and Guidelines of the Alternative Agricultural Water Transfer Methods Competitive Grant Program, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

**Reporting:** The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

**Final Deliverable:** At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

**Engineering:** All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.