



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

1313 Sherman Street  
Denver, CO 80203

P (303) 866-3441

F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

**TO:** Colorado Water Conservation Board Members

**FROM:** Alexander Funk, Program Manager  
Alternative Agricultural Water Transfer Methods Grant Program (ATM)  
Interstate, Federal, and Water Information Section

**DATE:** September 19<sup>th</sup>, 2019

**AGENDA ITEM:** 24

---

### Staff Recommendation/Action Items: ATM Grant Request

Applicant: Palmer Land Trust

Project Name: Bessemer Project ATM Economic Impact Analysis

Amount: \$150,000

Colorado's Water Plan encourages alternatives to permanent dry-up of irrigated agriculture and to utilize alternative transfer methods (ATMs) to support a sustainable agricultural industry while addressing other water resource challenges. The CWCB's Alternative Water Transfer Methods Grant Program, established in 2007, provides resources to help develop and implement ATM projects, including research and infrastructure improvements. The current focus of the ATM grant program is on implementing projects that will result in or facilitate actual wet-water transfers to support multiple uses, including municipal, industrial, agricultural, environmental, and recreational needs. ATM grants can also be utilized to explore alternative approaches to mandatory curtailment resulting from groundwater administration or compact compliance.

If this request is approved, it will constitute the 34th ATM Grant approved by the CWCB. Of the previous 33 projects, nine are in-progress, and 24 have been completed or closed-out.

The current ATM balance is \$1,383,017. If this grant request is approved and comes under contract, the remaining balance will be \$ 1,233,017.

Staff's review of ATM applications involves the following steps:

- 1) Applications are reviewed for completeness based on the information requirements, which are primarily outlined in the ATM Grant Criteria and Guidelines (C&G).
- 2) Applications are reviewed to verify that the water activity meets the eligibility requirements in the C&G.
- 3) Staff then prepares the Water Activity Summary Sheet, which documents the outcome of the review process and contains staff's recommendations.

Staff concludes these ATM Grant applications are complete, and the proposed activity meets the eligibility requirements in the C&G. The Water Activity Summary Sheet, ATM Grant Application, Statement of Work, and Budget and Schedule are attached.

### **Staff recommendation:**

Staff recommends approval of up to \$150,000 from the Alternative Agricultural Water Transfer Methods Grant Program to help fund the "Bessemer Project ATM Economic Impact Analysis" project.

**Alternative Agricultural Water Transfer Methods – Competitive Grant Program**  
**Water Activity Summary Sheet**  
**September 19, 2019**  
**Agenda Item 24**

**Applicant & Grantee:** Palmer Land Trust

**Water Activity Name:** Bessemer Project ATM Economic Analysis

**Water Activity Purpose:** Development of an integrated decision support system tool to provide projected economic impacts under different fallowing and alternative transfer method scenarios on the Bessemer Ditch system

**Drainage Basin:** Arkansas

**Water Source:** Arkansas River

**Amount Requested:** \$150,000

**Matching Funds:** **\$135,000** total cash match (provided by the applicant and other project partners)

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

Staff recommends approval of up to \$150,000 from the Alternative Agricultural Water Transfer Methods Program to help fund the “Bessemer Project ATM Economic Impact Analysis.”
---

**Water Activity Summary:** The Palmer Land Trust (PLT) is serving as the fiscal agent for the Bessemer Project Association (BPA); a non-profit organization formed by the Rocky Mountain Farmers Union (RMFU) and PLT to explore opportunities to mitigate the anticipated impacts of the Pueblo Board of Water Work’s (PBWW) purchase of 5,540 shares - approximately 28% of Bessemer Ditch shares and subsequent agricultural-to-municipal transfer. PBWW purchased the shares in 2009 to meet future water supply needs and enhance reliability. A change of use case was finalized earlier this year.

The Bessemer Ditch diverts water from the Arkansas River at Pueblo Reservoir and serves approximately 20,000 irrigated acres in the Saint Charles, Vineland, and Avondale areas where the dominant source of employment is tied to agriculture. Major crops grown in the region include a variety of specialty crops, including the Pueblo Chile. Previous analysis performed by the applicants, found that the majority of shares purchased by PBWW would result in the permanent fallowing of “prime farmland” which the United States Department of Agriculture defines as land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber and other crops.

Phase I of the project will evaluate the economic impacts of anticipated (e.g. permanent fallowing) versus alternative agricultural water transfer scenarios. Phase II will develop a more sophisticated web-based modeling tool to guide implementation at the parcel level. The modeling tool will generate micro and macro-economic outputs based on the input of various land use variables on a specific parcel or parcels. The final products will provide Pueblo County stakeholders with a better understanding of the projected economic impacts of permanently removing water from the Bessemer Ditch’s prime

agricultural lands and how different alternatives such as interruptible water supply agreements, rotational fallowing, and changes to crop type and irrigation practices could potentially mitigate economic impacts while still meeting municipal water needs. The modeling tool will also provide CWCB and other water resource decision makers with an opportunity to assess economic impacts of proposed water transfers resulting in permanent reductions of irrigated acreage and work collaboratively to assess the feasibility of alternatives.

**Discussion:** Staff supports the Palmer Land Trust's and Bessemer Project Association's application based on the following considerations: the selected project team's experience with assessing innovative solutions to mitigate the economic impacts of permanent fallowing; the potential for this project to provide CWCB and other water resource decision-makers with a new resource to evaluate the economic impacts and tradeoffs of various alternative transfer methods and proposed permanent transfers; to meet the Arkansas River Basin Implementation Plan's goal of managing water to sustain an optimal agricultural economy; and this effort will further Colorado's Water Plan's Measurable Objectives and Critical Goals and Actions with regard to ATMs.

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

**CWCB Project Manager:** Alexander Funk



Mr. Craig Godbout  
Colorado Water Conservation Board  
Water Supply Planning Section  
1313 Sherman St., Room 721  
Denver, CO 80203

August 1, 2019

Dear Mr. Godbout:

On behalf of Palmer Land Trust and the Bessemer Project Association, I am submitting the attached and completed application for the Alternative Agricultural Water Transfer Methods Competitive Grant Program.

Thank you for your consideration, and please do not hesitate to reach out with any additional questions.

Regards,

Ed Roberson  
Conservation Director

*Protecting southern Colorado's lands for present and future generations.*



**COLORADO WATER CONSERVATION BOARD**

**ALTERNATIVE AGRICULTURAL WATER TRANSFER  
METHODS COMPETITIVE GRANT PROGRAM**



**GRANT APPLICATION FORM**

Bessemer Project ATM Economic Impact Analysis  
Arkansas River Basin

**Program/Project Name**

**River Basin Name**

\$150,000.00

\$135,000.00

Amount of Funds Requested

Amount of Matching Funds

**Instructions:** This application form must be submitted in electronic format (Microsoft Word or Original PDF). The application can be emailed or a disc can be mailed to the address at the end of the application form. The Alternative Agricultural Water Transfer Methods Competitive Grant Program, Criteria and Guidelines can be found at <http://cwcb.state.co.us/LoansGrants/alternative-agricultural-water-transfer-methods-grants/Pages/main.aspx>. **The criteria and guidelines must be reviewed and followed when completing this application.** You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request for a grant. If you have difficulty with any part of the application, contact Craig Godbout of the Water Supply Planning Section (Colorado Water Conservation Board) for assistance, at (303) 866-3441 x3210 or email at [craig.godbout@state.co.us](mailto:craig.godbout@state.co.us). Generally, the applicant is also the prospective owner and sponsor of the proposed program/project. If this is not the case, contact Craig before completing this application.

# Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

## Part A. - Description of the Applicant(s) (Program/Project Sponsor);

1. Applicant Name(s):

Mailing address:

Taxpayer ID#:  Email address:

Phone Numbers: Business:

Home:

Fax:

2. Person to contact regarding this application if different from above:

Name:

Position/Title

3. If the Contracting Entity is different than the Applicant, please describe the Contracting Entity here.

The contracting entity will be the Bessemer Project Association (BPA), a non-profit group representing the stakeholders of the larger Bessemer Farmland Conservation Project.

In its current form, BPA is a non-profit umbrella group formed by the Rocky Mountain Farmers Union and Palmer Land Trust (PLT), with the PLT acting as the group's fiscal agent and assuming leadership for the overall effort.

BPA is currently in the process of repurposing itself for this specific proposed project and other overall aspects of the larger Bessemer Farmland Conservation Project. Palmer Land Trust will still act as the fiscal agent and leader, but will be expanding the organization to include a wider range of community stakeholders. BPA will have a new set of by-laws and articles of incorporation in the coming weeks and can provide them to the CWCB prior to this proposed funding.

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

4. Provide a brief description of your organization. The applicant may be a public or private entity. Given the diverse range of potential applicants, not all of the following information may be relevant. Where applicable and relevant the description should include the following:

- a) Type of organization, official name, the year formed, and the statutes under which the entity was formed, a contact person and that person's position or title, address and phone number. For private entities, a copy of the Articles of Incorporation and By-laws should be appended to the application.

The William J Palmer Parks Foundation Inc is a 501(c)(3) non-profit organization, doing business as Palmer Land Trust. The organization was formed in 1977 and received its 501(c)(3) designation in 1978.

Contact Person: Ed Roberson  
Conservation Director  
Palmer Land Trust  
102 S. Tejon, Suite 360  
Colorado Springs, CO 80903  
(719) 941-9491

Articles of incorporation and by-laws are attached to the end of this application.

- b) For waters suppliers, information regarding the number of customers, taps, service area, and current water usage, and future growth plans, water related facilities owned or used, funding/revenue sources (existing service charges, tap fees, share assessments, etc.), the number of members or shareholders and shares of stock outstanding or a description of other means of ownership.

N/A

- c) For other entities, background, organizational size, staffing and budget, and funding related to water that is relevant in determining whether the applicant has the ability to accomplish the program/project for which funding is sought.

Palmer Land Trust's background, mission, and focus areas are described below (d). Palmer currently has eight full-time employees, an engaged 18-member board of trustees with representatives from many corners of southeastern Colorado. Palmer's current fiscal-year budget is \$1,440,176, and in the past 12 months we secured more than \$1.5 million dollars toward our water-focused work (the overall Bessemer Farmland Conservation Project), with another \$400,000+/- pending from other funders.

- d) A brief history of the Applicant(s).

Palmer Land Trust's mission is to protect southern Colorado's lands for present and future generations. Since its incorporation in 1977, the organization has protected 135,890

Z:\Shared\PLT\Development\GRANTS\CWCB\ATM Grant - 2019\ATM Grant Application - Bessemer.doc

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

acres of working farms and ranches, wildlife habitat, scenic corridors, and public recreation open spaces.

Originally formed to establish and protect public open spaces and parks in southern Front Range areas facing rapid land development and fragmentation, the organization now leads a wide range of conservation projects that reflect the diverse values of the communities it serves.

Today, Palmer is one of the twenty largest local land trusts in the country based upon conserved acreage holdings (there are approximately 1,700 land trusts in the United States), and it is one of the country's first 100 nationally accredited land trusts.

Palmer's programming concentrates on land protection through permanent conservation, land stewardship, and market-based conservation solutions. We serve a ten-county area in southern Colorado with current land protection programs focused on the Pikes Peak Region and Lower Arkansas Valley. Our strategic plan identifies the following three priorities to guide our work: enhance outdoor recreation, maintain robust working farms and ranches, and protect inspiring scenic vistas.

Palmer's current efforts with the Bessemer Farmland Conservation Project, of which this Analysis and Framework is a major component, are the result of four years of work that have included 1) a landscape assessment of the Bessemer Ditch that provided an initial planning framework rooted in stakeholder analysis, data analysis, and spatial diagnosis, 2) an examination of viable solutions through case study analyses that vetted exchange frameworks and conservation scenarios, and 3) the first stages of on-the-ground implementation and extensive community building. We have built excellent momentum and look forward to continuing to make great strides toward conserving a critical mass of irrigated farmland along the Bessemer.

- e) Please include any relevant Tabor issues relating to the funding request that may affect the Contracting Entity.

N/A

# Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

## Part B. - Description of the Alternative Water Transfer Program/Project –

### 1. Purpose of the Program/Project

Please provide a summary of the proposed program/project, including a statement of what the program/project is intended to accomplish, the need for the program/project, the problems and opportunities to be addressed, the expectations of the applicant(s), and why the program/project is important to the applicant(s). The summary must include a description of the technical, institutional (i.e., how the program/project will be organized and operated), and legal elements that will and/or have been addressed by the applicant and proposed program/project. The summary should also discuss relevant project history, if applicable, and any other relevant issues.

This proposed grant will help fund a first-of-its-kind economic impact analysis and decision support framework tool to provide water and land-use guidance in eastern Pueblo County in the wake of Pueblo Board of Water Works' (PBWW) purchase of 28% of Bessemer Ditch shares. (See below for more background detail on the purchase.) Both finished products will allow the impacted community to make informed water management decisions that do not result in a zero-sum game for agriculture, as has been the case with municipal buy-and-dry, historically.

The project will be multidisciplinary in nature. It will use exploratory-scenario planning approaches that combine spatial, economic, and policy frameworks to develop an integrated decision support system. The decision support system will enable the Bessemer Project Association (BPA) to share projected economic impacts under different trajectories of change (i.e., different land use and water management scenarios) with decision makers and stakeholders responsible for charting the course of change. The study will be developed in two distinct but interconnected phases of effort.

Phase I will evaluate the economic impacts of anticipated versus alternative water transfer scenarios. Phase II will develop a more sophisticated (dynamic) modeling tool to guide implementation at the parcel level. The modeling tool (which could employ a vector analysis with 10M data) will generate micro- and macro-economic outputs based upon the input of various land use variables (e.g., cropping, irrigation, environmental restoration, etc.) on a specific parcel or parcels.

---

*While this proposed grant will only fund the economic impact analysis and decision support framework tool, some background on PBWW's water purchase and the larger, overall Bessemer Farmland Conservation Project may provide some useful context around the need for this analysis and tool. Below is a brief summary:*

Z:\Shared\PLT\Development\GRANTS\CWCB\ATM Grant - 2019\ATM Grant Application - Bessemer.doc

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

BACKGROUND: The overall Bessemer Farmland Conservation Project was launched in 2015. It is an effort to mitigate the impacts of a major agricultural-to-municipal water transfer. It is also an effort to forge new agricultural, economic, and environmental opportunities given the land use changes the water transfer will precipitate.

The project spans the farm communities of Saint Charles Mesa, Vineland, and Avondale, which are served by the Bessemer Irrigation Ditch and boast farmland considered “nationally significant” by the Natural Resources Conservation Service (NRCS). Nearly one-third of Bessemer Irrigating Ditch Company (BIDC) shares serving farms in this area were purchased in 2009 by the City of Pueblo’s water utility, PBWW. PBWW’s acquisition will remove irrigation water from much of the area’s best production ground; lesser-quality production ground—including lands that contribute significantly to nonpoint source water quality impairments in the Arkansas River and its tributaries through surface-irrigation practices—will remain in production. The appropriation is anticipated to precipitate economic and environmental decline across the agricultural community.

The BPA has proposed an alternative to the worst-case dry up of a wide swath of Pueblo County’s most productive lands. The plan is predicated on legal mechanisms that enable more strategic fallowing by means of a substitute fallowing provision that was negotiated into PBWW’s Water Court change case decree. Strategic fallowing creates opportunities to:

- a. permanently retain high-quality production ground in agriculture;
- b. help farmers increase their production potential while expanding or consolidating holdings;
- c. reduce reclamation costs for PBWW while protecting yield;
- d. achieve better socio-economic and land use outcomes for the community at large; and measurably improve water quality and restore ecological systems.

In mid-2019, a settlement was reached in PBWW’s change case that included BPA’s proposed substitute fallowing provision in the final decree. With the ability to strategically fallow lands in the decree, the community of Pueblo County is now faced with the need to make sound, research-based decisions around strategic fallowing, water and land use, and the economic impacts of potential dry-ups. Which leads back to the need for this economic impact analysis and decision support framework tool.

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

### Previous Studies

To the maximum extent possible, the results of any previous studies and investigation should be utilized and incorporated into the proposed program/project. The application for funding should include a brief summary of the results of previous studies and how they will be utilized.

This project is the result of findings gathered from a stakeholders group assembled in 2015 by the Rocky Mountain Farmers Union (RMFU). The resulting plan, *Navigating the Wake of Municipal Water Sales* (cited below), synthesized knowledge and findings from a wide range of water, agriculture, urban planning, government sources to plot a more positive and proactive path forward. An abbreviated list of sources that have contributed to this project's foundation are listed below:

- Campbell, S. (2017) *Navigating the Wake of Municipal Water Sales: Alternatives to Improve Agricultural and Ecological Outcomes on the Bessemer Ditch*. Colorado Springs, CO: Innovative Conservation Solutions.
- Colorado Water Plan
- Brendle, D. L., (2002). *Evaluation of possible alternatives to lower the high water table of St. Charles Mesa, Pueblo County, Colorado*. U.S. Geological Survey Water-Resources Investigations Report 01-4190. Denver, CO.
- Campbell, S., League, K., & Moyer, N. (2011). *Our land, our water, our future: A conservation plan for the western Lower Arkansas Valley*. Colorado Springs, CO: Palmer Land Trust.
- Dale, V, & Haeuber, R. (2001). *Applying ecological principles to land management*. New York, NY: Springer.
- DiNatale Water Consultants & Colorado State University. (2013). *Alternatives to permanent dry up of formerly irrigated Lands. Report to Colorado Water Conservation Board*. Denver, CO. 2013.
- Divine, C. E., & Gates, T. K. (2006). *Sources and occurrence of selenium in the Arkansas River and Fountain Creek near Pueblo, Colorado*. Final project report to the City of Pueblo. Highlands Ranch, CO: ARCADIS G&M, Inc.
- Gates, T. K., Garcia, L. A., Hemphill, R. A., Morway, E. D., & Elhaddad, A. (2012). *Irrigation practices, water consumption, & return flows in Colorado's Lower Arkansas River Valley: Field and model investigations*. Colorado Water Institute Completion Report No. 221, Colorado Agricultural Experiment Station Technical Report TR-12, Colorado State Univ., Fort Collins, CO.
- Gates, T. K., Garcia, L. A., & Labadie, J. W. (2006). *Toward optimal water management in Colorado's Lower Arkansas River Valley: Monitoring and modeling to enhance agriculture and environment*. Colorado Water Resources Institute Completion Report No. 205, Colorado Agricultural Experiment Station Technical Report TR06-10. Fort Collins, CO: Colorado State University

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

- Kania, J., & Kramer, M. (2011). *Collective impact*. Stanford Social Innovation Review, Winter 2011, 36-41.
- Land Information & Computer Graphics Facility. (2000). *Farmland preservation and GIS: A model for deriving farmland priority zones*. Technical Paper No. 3. Madison, WI: University of Wisconsin Madison.
- Lemly, J., Gilligan, L., & Wiechmann, C. (2016). *Ecological integrity assessment (EIA) for Colorado wetlands field manual, version 2.1*. Fort Collins, CO: Colorado Natural Heritage Program, Colorado State University.
- Lukas, J., Barsugli, J., Doesken, N., Rangwala, I., & K. Wolter (2014). *Climate change in Colorado: A synthesis to support water resources management and adaptation: A report for the Colorado Water Conservation Board*. Western Water Assessment, Cooperative Institute for Research in Environmental Sciences (CIRES). Boulder, CO: University of Colorado Boulder.
- Machado et al. (2003). *A systematic framework for prioritizing farmland preservation*. University of California Santa Barbara Report, National Center for Ecological Analysis and Synthesis.
- McCarty, K. (2016). *Bessemer Ditch basic market data report*. Prepared for Palmer Land Trust. Loveland, CO: McCarty Land & Water Valuation, Inc.
- Neely, B., Kettler, S., Horsman, J., Pague, C., Rondeau, R., Smith, R., Grunau, L., Comer, P., Belew, G., Pusateri, F., Rosenlund, B., Runner, D., Sochi, K., Sovell, J, Anderson, D., Jackson T., & Klavetter, M. (2006). *Central Shortgrass Prairie ecoregional assessment and partnership initiative*. The Nature Conservancy of Colorado and the Shortgrass Prairie Partnership.
- Nichols, P. (2011). *Development of Land Fallowing-water Leasing in the Lower Arkansas Valley (2002 through mid-2011)*. Denver, CO: Colorado Water Conservation Board.
- Porter, S., Tomer, M., James, D., Boomer, K., Kostel, K., & McLellan, E. (2013). *Combining precision conservation technologies into a flexible framework to facilitate agricultural watershed planning*. Journal of Soil and Water Conservation 68(5), 113A-120A.
- Sherow, J. (1990). *Watering the Valley: Development Along the High Plains Arkansas River*. Lawrence, KS: University of Kansas Press.
- USDA Economic Research Service. (2012). *Farmland protection: The role of public preferences for rural amenities*. USDA AER-815: 19-40.
- USDA Natural Resources Conservation Service. (2001). *Six Mile - St. Charles Watershed: Watershed plan and environmental assessment*. Pueblo County, CO.
- Western Resource Advocates. (2012). *Filling the gap: Meeting future urban water needs in the Arkansas Basin*. Boulder, CO.

# Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

## 2. Study Area/Service Area Description

The study area/service area is generally the geographic area that is the subject of the proposed program/project (include both the source of supply and location and type of new use). The description should include the following items:

- a) A narrative description of the study area/service area including: the county, the location of towns or cities, topography, and locations of major surface and ground water features.

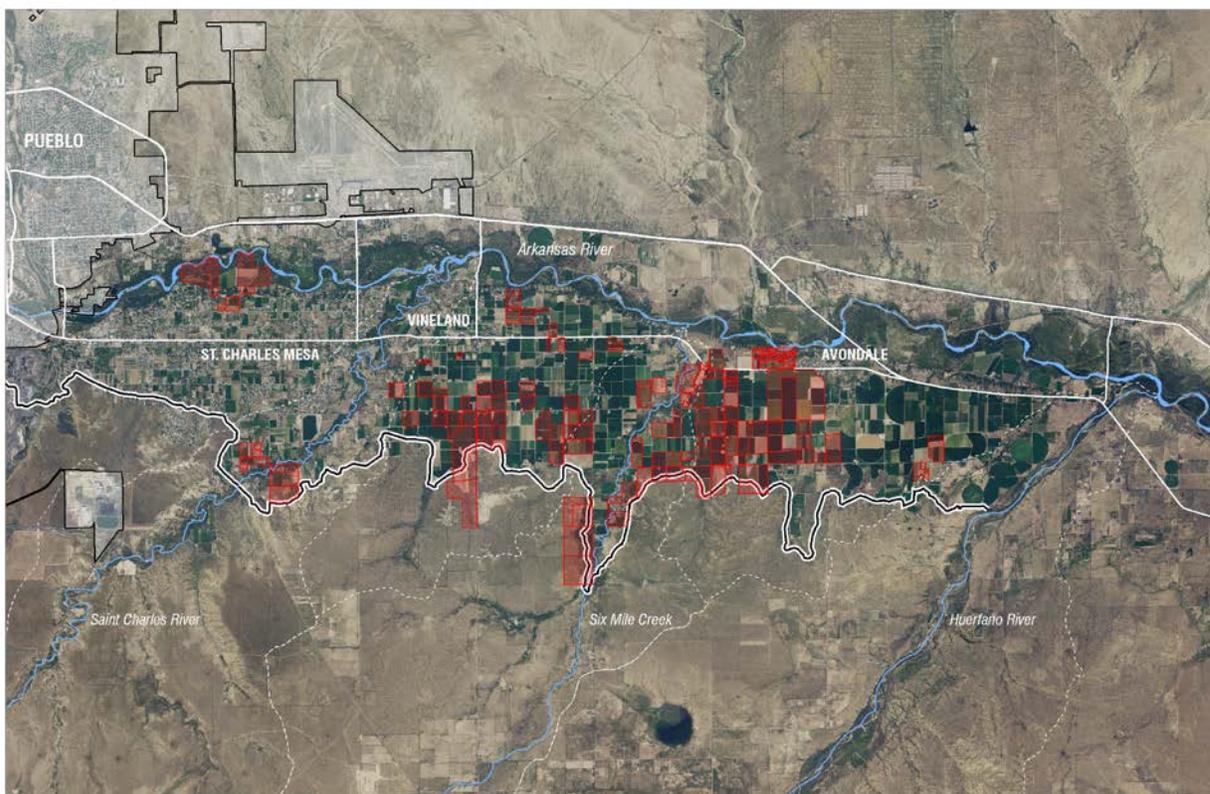
The study area includes the eastern Pueblo County agricultural lands served by the Bessemer Ditch, including the communities of Saint Charles Mesa, Vineland, and Avondale. The Bessemer Ditch diverts water from the Arkansas River at the Pueblo Reservoir. All told, the irrigated farmland serviced by the Bessemer Ditch totals approximately 20,000 acres.

# Alternative Agricultural Water Transfer Methods – Grant Application Form

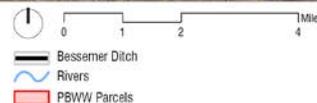
October 2010

- b) An area map showing each of the items above, as well as the locations of existing facilities, proposed project facilities and boundaries of lands involved in the proposed program/project.

The map below shows the agricultural lands of eastern Pueblo County irrigated by the Bessemer Ditch, as well as all of the parcels that sold water to PBWW in 2009 (delineated in red). The communities of St. Charles Mesa, Vineland, and Avondale are designated on the map, as is the city of Pueblo.



**BASE MAP**  
AERIAL IMAGERY AND MAIN GEOGRAPHICAL FEATURES



- c) Information regarding the irrigated lands that are involved in the program/project. This must include a tabulation of total irrigated acreage, description of cropping types, crop yields, and total average annual water diversions for existing agricultural lands.

The Bessemer Ditch irrigates approximately 20,000 acres of some of the most productive farmland in Colorado. Historically, one share of Bessemer water irrigates one acre of land, and PBBW purchased 5,540 shares—approximately 28% of the total Bessemer shares.

Z:\Shared\PLT\Development\GRANTS\CWCB\ATM Grant - 2019\ATM Grant Application - Bessemer.doc

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

The crop mix in this region is varied, with a heavy emphasis on vegetables: pumpkins, winter squash, watermelon, cantaloupe, alfalfa, corn, garlic, green onions, tomatoes, beans, and more. Most notably, the region is known for growing the renowned Pueblo Chile, a pepper that has risen to national prominence for its rich flavor and versatility in cooking. The cultivation of Pueblo Chile is a source of deep pride and identity for the agricultural communities served by the Bessemer Ditch.

- d) Information regarding the location of the new water use(s) that will be served by transferred water including the estimated number of users/taps and/or uses served.

Phases 1 and 2 of the project will inform the best future alternative uses of water and most viable locations for the transfers. But with no course correction informed by data, research, and rigorous analysis, the Bessemer community is poised to lose thousands of acres of prime farmland to dry-up. Palmer Land Trust, the BPA, and community stakeholders are confident that there are alternative uses and methods that will not severely and negatively impact the agricultural communities, while still allowing for healthy municipal growth. The analysis and framework tool will allow the community to make the best decisions for all stakeholders.

- e) Socio-economic characteristics of the area such as population, employment and land use.

According to 2017 statistics, Pueblo County has a population of 166,475. The ability of Pueblo County to effectively balance the water needs of the municipality with those of the agricultural community could impact all citizens of the county. In eastern Pueblo County, where the Bessemer Ditch is located, the dominant source of employment is agriculture and the vast majority of the land is dedicated to farming or ranching.

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

### 3. Description of the Alternative Water Transfer Method

Please describe the type(s) of water transfers that will be examined/utilized (i.e., conceived transfer methods include, but are not limited to: 1) interruptible water supply agreements; 2) long-term agricultural land fallowing; 3) water banks; 4) reduced consumptive use through efficiency or cropping changes while maintaining historic return flows; and 5) purchase by end users with leaseback under defined conditions). In addition, please describe how the transferable consumptive use will be calculated and quantified, and how return flow patterns will be addressed/maintained.

By commissioning this robust macroeconomic analysis, we will have a crystal-clear understanding of the economic impacts of permanently removing any portion of the PBWW water from the Bessemer-served agricultural lands. These analyses will help us to establish a new expected baseline of economic output for the complete range of fallowing scenarios.

Once this new baseline has been established, the Phase 2 decision support framework will create a dynamic, web-based tool, which will allow the community of Pueblo County to make the best water and land use decisions to keep economic output at pre-dry-up levels (at a minimum). The framework will consider a wide range of alternatives to standard municipal buy-and-dry, including improving precision irrigation practices, guiding rotational fallowing projects that support agricultural/municipal water-sharing efforts, planning for interruptible supply transfers to restore reservoir levels following periods of drought, or a more focused approach to crop changes. The approach holistically integrates ecological, environmental, and supply considerations while remaining focused on maximizing agricultural production in ways that benefit individual farmers and agricultural communities as a whole.

### 4. Program/Project Eligibility

Please describe how the proposed program/project meets each of the following eligibility requirements (please see Criteria and Guidelines for additional information regarding the alternative water transfer methods/strategies that qualify for funding). Note: If these requirements are addressed in other parts of the application you may simply reference the applicable section(s).

- a) A description of how, if implemented, the proposed program/project will protect property and water rights.

In a post-water-acquisition landscape such as the communities served by the Bessemer Ditch, the ability to make sound, quantitative, research-based decisions regarding the efficient use of the remaining water is invaluable. By understanding how potential decisions around irrigation practices, rotational fallowing, water sharing, crop mixes, etc. will affect economic

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

output, all stakeholders—farmers, the County, PBWW, conservation groups, and more—can have confidence that they are pursuing the best, most constructive path forward. The macroeconomic impact analysis and decision support framework tool will lay the foundation for protecting property and water, while fully understanding their associated economic impacts on the community.

Once completed and implemented on the Bessemer, many aspects of this project could be applied to other river basins throughout the states—regions facing similar challenges around understanding and implementing alternative water use plans in post-acquisition landscapes.

- b) Identified group(s) of agricultural users that are or may be willing to transfer a portion of their water and identified entity(s), group(s) or area(s) where the transferred water could or would be put to the new use and a description of the new use.

Depending on the findings from our Phase One analysis and Phase Two decision support framework tool, there will be varied opportunities among a wide range of agricultural users for alternatives to the standard municipal buy-and-dry. These groups and areas will be more clearly defined as a result of this project.

- c) The program/project must at a minimum conceptually describe the technical, institutional, and legal elements of the water transfer. Grant monies may be used to address one or more of these elements. If grant monies are not requested for all three elements, the grant applicant must describe how the applicant has or intends to address the elements, which are not included in the grant request, through other efforts.

This specific proposed project focuses primarily on the economic elements of a large-scale municipal water acquisition and the quantitative impacts of alternative water uses to mitigate the economic effects. As part of the larger Bessemer Farmland Conservation Project described above—which has and will continue to receive funding from numerous other sources—the technical, institutional, and legal elements of strategic fallowing are being addressed.

- d) If grant monies are proposed for use for legal assistance then the use of those funds shall be oriented toward advancing the knowledge of alternative agricultural water transfer methods and techniques; not for preparation of a specific water court case. The total requested funds for legal assistance shall not exceed 40 percent of the total grant request. In addition, grant monies proposed for use for legal assistance must be used to collaboratively address issues and concerns related to agricultural water transfer. Funds shall not be used to solely advance the cause of the project proponents.

As shown in the attached budget, the vast majority of these monies will be used for the analysis and development of the

Z:\Shared\PLT\Development\GRANTS\CWCB\ATM Grant - 2019\ATM Grant Application - Bessemer.doc

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

framework. Any legal assistance and associated fees will be negligible.

- e) A minimum of a 10 percent cash match of total project cost (past expenditures and “in kind” can not be counted toward the 10 percent match).

As shown in the attached budget, our cash match far exceeds the 10% minimum.

### 5. Program/Project Evaluation Criteria

The following grant evaluation criteria will be used by the CWCB to evaluate and make recommendations to fund, partially fund or not fund a grant application. The criteria are aimed at advancing alternative transfer methods from the literature and studies to actual on the ground projects/programs that provide reliable water supply and sustain key elements of the agricultural area from which the water is transferred. The applicant should fully address and explain in detail in the application how, and the extent to which, the proposed project/program meets each of the criteria. However, it should be noted that the project does not have to meet all of the criteria to be eligible to receive funding and the criteria below are not listed in any order of important or priority.

- a. The proposed project/program builds upon the work of former alternative water transfer methods efforts and addresses key areas that have been identified. For more detailed information on this work, please refer to the draft report: *Alternative Agricultural Water Transfer Methods Grant Program Summary and Status Update*, November 2012.

Depending on the results of the two phases of this proposed project, there will likely be a wide-range of proposed best practices to maintain a critical mass of irrigated farmland along the Bessemer Ditch. Those practices could include: interruptible supply agreements, rotational fallowing, water banks, reduced crop consumptive use, purchase and lease-back agreements, and other previously identified methods.

- b. The proposed project addresses one or more key recommendation(s) in the report: *Alternative Agricultural Water Transfer Methods Grant Program Summary and Status Update*, November 2012.

Among a wide range of benefits to the Arkansas River basin and future applications in basins statewide, this proposed project supports the Arkansas River Roundtable’s efforts in basin planning and in future municipal, agricultural, and non-consumptive needs.

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

- c. Preference will be given to projects that provide additional matching resources in the form of cash, past expenditures and in-kind contributions that are in addition to the required 10% cash match.

As shown in the attached budget, the proposed project has secured far more matching funds than the minimum of 10%.

- d. The proposed project/program produces information that is transferable and transparent to other users and other areas of the state (i.e., would provide an example “template” or roadmap to others wishing to explore alternate transfer methods).

While the proposed project will obviously benefit all stakeholders served by the Bessemer Ditch, the decision support framework tool is expected to have applications statewide, throughout a wide range of river basins. By deeply understanding the economic impacts of alternative water and land use decisions, communities throughout the state will be able to make informed decisions that lead to the most benefit for the greatest number of stakeholders.

- e. The proposed project/program addresses key water needs identified in SWSI 2010 or as identified in a basin’s needs assessment.

SWSI 2010 identifies both the continued water “shortages associated with agricultural demands,” as well as the intensifying municipal demands to keep pace with Colorado’s population growth.

This proposed project will provide a tool to find actionable solutions to balance each of these competing forces in Pueblo County. Then, the tool can be used in other water-challenged river basins and regions of the state.

- f. The proposed project/program advances the preservation of high value agricultural lands. Value can be viewed as: the value of crops produced, the value the agriculture provides to the local community, and the value the agricultural area provides for open space and wildlife habitat.

As previously discussed, the land irrigated by the Bessemer is some of the most productive agricultural farmland in the state. With the purchase of 28% of the agricultural water by PBWW and the threat of a large-scale dry up, the decision support framework tool will be invaluable in identifying how the community stakeholders can best use alternative approaches to water management and land use to mitigate the potential economic impacts. Pueblo County and its wide range of communities will be the ultimate beneficiary of this project, as this tool will allow them to balance the competing water needs of agriculture with that of a growing, vibrant municipality.

Z:\Shared\PLT\Development\GRANTS\CWCB\ATM Grant - 2019\ATM Grant Application - Bessemer.doc

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

- g. The proposed project/program addresses water quality, or provides other environmental benefits to rivers, streams and wetlands.

Guided by the decision support framework tool, the community can best decide which parcels to strategically fallow, with the knowledge that fallowing specific areas and topographies can lead to increased water quality. Our analysis has identified 8,698 acres of land that has been classified as having a high to critical contamination risk resulting from surface and subsurface return flows. By strategically fallowing portions of these lands, we can improve water quality, restore ecological systems, while maintaining a high agricultural economic output.

- h. The proposed project/program increases our understanding of and quantifies program/project costs. This could include: institutional, legal, technical costs, and third party impacts.

The analysis and subsequent framework tool will help to quantify the impacts of a wide range of approaches to alternative water and land uses. After fully understanding the costs of each potential approach, Pueblo County stakeholders can use that information to choose the most appropriate path forward.

- i. The quantity of water produced by the proposed project/program. Preference will be given to programs that can address larger water supply needs.

As it currently stands, 5,540 shares of Bessemer water were purchased by PBBW, and, beginning in 2029, there is the potential for those shares to be removed from agriculture permanently. But with the data and analysis generated from this proposed project, we may find there to be economically attractive options that involve not permanently removing every single share. Instead, the community would have the option of pursuing alternative strategies that will leave a portion of these shares in agriculture in perpetuity—effectively increasing the quantity of water (i.e. number of shares) devoted to ag from the current post-acquisition baseline quantity.

- j. Applicants are encouraged to develop projects demonstrating participation and/or support from a diverse set of stakeholders and interests.

From the beginning, the Bessemer Farmland Conservation Project has been community driven. The project began in 2015 when the Rocky Mountain Farmers Union, with financial support from the Colorado Farm Bureau, convened community stakeholders to address the transition. Stakeholders included Pueblo County commissioners; PBWW representatives; Bessemer Irrigating Ditch Company board members; Palmer Land Trust representatives;

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

Colorado Water Conservation Board members; Arkansas Basin Roundtable leaders; Natural Resources Conservation Service staff; farmers; and regional chamber of commerce, planning, and economic development representatives.

And as previously mentioned, the final products resulting from this grant will benefit not just the local Bessemer stakeholders, but the greater statewide Colorado water stakeholders—the project will have applicability in areas and river basins beyond the Bessemer and Arkansas.

### 6. Statement of Work

Provide the proposed statement of work. On the following page there is an example format for the statement of work. You can use the example format or your own format, provided that comparable information is included. The statement of work should outline by task how the proposed program/project will be accomplished. It is important that the statement of work detail the specific steps, activities/procedures that will be followed to accomplish each individual task and the overall program/project and the specific products/deliverables that will be accomplished. The statement of work must include but not be limited to: task description, key personnel, budget, schedule and deliverables and the final report/project documentation upon completion of the water activity.

The statement of work will form the basis for the contract between the Applicant and the State of Colorado. In short, the Applicant is agreeing to undertake the work for the compensation outlined in the statement of work and budget, and in return, the State of Colorado is receiving the deliverables/products specified. Please note that costs incurred prior to execution of a contract or purchase order are not subject to reimbursement.

Please provide a detailed statement of work using the following template. Additional sections or modifications may be included as necessary. Please define all acronyms. If a grant is awarded an independent statement of work document will be required with correct page numbers.

## **Statement of Work**

**WATER ACTIVITY NAME – Bessemer Project ATM Economic Analysis**

**GRANT RECIPIENT – Bessemer Project Association (BPA)**

**FUNDING SOURCE – The Alternative Agricultural Water Transfer Methods Competitive Grant Program**

### **INTRODUCTION AND BACKGROUND**

Provide a brief description of the project. (Please limit to no more than 200 words; this will be used to inform reviewers and the public about your proposal)

This proposed grant will fund a first-of-its-kind economic impact analysis and decision support framework tool to guide a path forward in eastern Pueblo County in the wake of PBWW's purchase of 28% of Bessemer Ditch shares. The final products will allow Pueblo County stakeholders to make informed water management decisions that do not result in a zero-sum game for agriculture, as has often been the case with municipal buy-and-dry.

The project will be multidisciplinary. It will use exploratory-scenario planning approaches that combine spatial, economic, and policy frameworks to develop an integrated decision support system. The decision support system will enable BPA to share projected economic impacts under different trajectories of change (i.e., alternative water management scenarios) with decision makers and stakeholders responsible for charting the course of change. The study will be developed in two distinct but interconnected phases of effort.

Phase I will evaluate the economic impacts of anticipated versus alternative water transfer scenarios. Phase II will develop a more sophisticated modeling tool to guide implementation at the parcel. The modeling tool will generate micro- and macro-economic outputs based upon the input of various land use variables (e.g., cropping, irrigation, environmental restoration, etc.) on a specific parcel or parcels.

### **OBJECTIVES**

- Create a final report that details the findings of the Economic Impact Analysis.
- Create a web-based decision support framework tool be used by Pueblo County stakeholders to inform and guide decisions around alternative water management scenarios and land use.

## **TASKS**

Provide a detailed description of each task using the following format

### **TASK 1 – SCENARIO DEVELOPMENT**

#### Description of Task

- DATA SETS - Assemble all data sets and update existing analyses.
- DESIGN - Create scenario development design parameters.
- PARTICIPATORY PROCESS - A grass-tops participatory process is envisioned. The participatory process and engage stakeholders accordingly to develop scenarios. A minimum of five scenarios are envisioned.

#### Deliverable

A robust data set and at least five scenarios that will be used as inputs for Tasks 2 and 3.

### **TASK 2 – ECONOMIC IMPACT EVALUATION**

#### Description of Task

- PRODUCTION ECONOMICS - Develop economic output models for all scenarios using Implan. A series of tabular datasets will be produced. Consider report and final product needs in order to inform outputs and revise scenarios.
- PEOPLE AND INCOME. These factors will be considered in the Implan models.
- ENVIRONMENT. Economics of the environment will not be considered in this Phase 1 Economic Impact Analysis.
- PARTICIPATORY PROCESS. Economic outputs under different scenarios will be shared with the grass-tops group(s) of stakeholders. A feedback loop will be created, so that stakeholder input informs scenario development through an iterative process whereby scenarios can be modified and revised accordingly.

#### Deliverable

Implan-produced economic models that will be used to create the final products detailed in Task 3.

### **TASK 3 – DIGESTION AND VISUALIZATION**

#### Description of Task

- STORYTELLING & DECISION SUPPORT. Two final products are envisioned: (1) a final report; and (2) A web-based ESRI decision support framework tool. The web-based, DSS-oriented story map will address the "so-what" and "what would happen if" questions interactively. This sophisticated model will address the "what would happen if" question, related to alternative water uses and land-use decisions.
- CONSUMABLE PRODUCTS. The general order of operations for producing the end products is: (1) report outline; (2) consumable products development; (3) report draft; consumable products revision(s); (4) web development; (5) continued consumable products revisions as website and reports are finalized; (6) incorporation of final report language/narrative into final website descriptions/captions.
- SYNTHESIS. Synthesize all findings in a summary PowerPoint presentation.
- DASHBOARD. Prepare a website to serve as the primary dashboard.

#### Deliverable

As described above, there will be two final deliverables: 1) A final report and 2) A web-based decision support framework tool.

### **REPORTING AND FINAL DELIVERABLE**

**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 statement 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.

# Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

## BUDGET

Provide a detailed budget by task including number of hours and rates for labor and unit costs for other direct costs (i.e. mileage, \$/unit of material for construction, etc.). A detailed and perfectly balanced budget that shows all costs is required for the State’s contracting and purchase order processes. Sample budget tables are provided below. Please note that these budget tables are examples and will need to be adapted to fit each individual application. Tasks should correspond to the tasks described above.

The complete budget is attached to the end of this application.

## SCHEDULE

Provide a project schedule including key milestones for each task and the completion dates or time period from the Notice to Proceed (NTP). This dating method allows flexibility in the event of potential delays from the procurement process. Sample schedules are provided below. Please note that these schedules are examples and will need to be adapted to fit each individual application.

TASK	First 6 Months						Second 6 Months					
	Nov 2019 - April 2020						May 2020 - October 2020					
Task 1 - Scenario Development	■	■	■	■								
Task 2 - Economic Impact Evaluation				■	■	■	■					
Task 3 - Digestion and Visualization							■	■	■	■	■	■
Final Product Development											■	■

## Alternative Agricultural Water Transfer Methods – Grant Application Form

October 2010

---

### PAYMENT

Payment will be made based on actual expenditures and invoicing by the applicant. Invoices from any other entity (i.e. subcontractors) cannot be processed by the State. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed. 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 the public and help promote the development of alternative agricultural transfer methods.

Additional Information – If you would like to add any additional pertinent information please feel free to do so here.

The above statements are true to the best of my knowledge:

Signature of Applicant:  for Palmer Land Trust

Print Applicant's Name: Ed Roberson

Project Title: Bessemer Project ATM Economic Impact Analysis

### Return this application to:

Mr. Craig Godbout  
Colorado Water Conservation Board  
Water Supply Planning Section  
1313 Sherman St., Room 721  
Denver, CO 80203  
[craig.godbout@state.co.us](mailto:craig.godbout@state.co.us)



**Colorado Water Conservation Board**

**ATM Grant Budget**

**Prepared Date: 08/01/19**

**Name of Applicant: Palmer Land Trust**

**Name of Water Project: Bessemer Project ATM Economic Impact Analysis**

**Project Start Date: 11/01/19**

**Project End Date: 10/31/19**

Income	Source	Pending	Secured	Total
	Gates Family Foundation	\$	100,000 \$	100,000
	Packard Foundation	\$	10,000 \$	10,000
	Private Investor	\$	10,000 \$	10,000
	Private Investor	\$	15,000 \$	15,000
	CWCB	\$ 150,000	\$	150,000
			<b>Total Income \$</b>	<b>285,000</b>

Expense	Task Number and Description	Labor	Direct Costs	Total
	1. Scenarios Development	\$ 55,500	\$ 14,000	\$ 69,500
	2. Economic Impact Evaluation	\$ 37,000	\$ 8,000	\$ 45,000
	3. Digestion and Visualization	\$ 92,000	\$ 4,000	\$ 96,000
	4. Final Product Development	\$ 65,500	\$ 9,000	\$ 74,500
			<b>Total Expenses \$</b>	<b>285,000</b>

**NET \$ -**



**Colorado Water Conservation Board**

**ATM Grant Budget**

Prepared Date: 8/1/2019  
 Name of Applicant: Palmer Land Trust  
 Name of Water Project: Bessemer Project ATM Economic Impact Analysis

**Labor**

	CONSULTANT GROUP	ICS	ANZA	GA	Total
<b>Task 1 - Scenarios Development</b>					
Acquire GIS Data Sets		\$ -	\$ 2,000	\$ -	\$ 2,000
Update Existing Analyses		\$ 2,000	\$ 4,000	\$ 3,000	\$ 9,000
Establish Scenario Design Process		\$ 3,000	\$ 3,000	\$ 1,500	\$ 7,500
Engage Stakeholders and SMEs in Scenario Design		\$ 5,000	\$ 5,000	\$ 3,000	\$ 13,000
Develop Scenarios via Spatial Analysis		\$ 5,000	\$ 17,000	\$ 2,000	\$ 24,000
<b>Subtotal</b>		<b>\$ 15,000</b>	<b>\$ 31,000</b>	<b>\$ 9,500</b>	<b>\$ 55,500</b>
<b>Task 2 - Economic Impact Evaluation</b>					
Develop IMPLAN Models for Each Scenario		\$ -	\$ 10,000	\$ -	\$ 10,000
Run Tabular Data Sets for Total Economic Impact		\$ -	\$ 2,500	\$ -	\$ 2,500
Assess Employment, Tax and Industry Sector Impacts		\$ -	\$ 3,500	\$ -	\$ 3,500
Re-engage Stakeholders and Revise Scenarios		\$ 3,000	\$ 3,000	\$ 3,000	\$ 9,000
Finalize Scenarios and Economic Data Sets		\$ 2,500	\$ 5,500	\$ 4,000	\$ 12,000
<b>Subtotal</b>		<b>\$ 5,500</b>	<b>\$ 24,500</b>	<b>\$ 7,000</b>	<b>\$ 37,000</b>
<b>Task 3 - Digestion and Visualization</b>					
Synthesize Spatial (Scenario) & Tabular (Economic) Data		\$ 7,500	\$ 2,000	\$ 17,500	\$ 27,000
Develop Consumable Product (maps, designs, etc.)		\$ 13,500	\$ 5,000	\$ 31,500	\$ 50,000
Establish Report Framework		\$ 3,000	\$ 500	\$ 1,500	\$ 5,000
Establish Interactive Website Design & DSS Framework		\$ 2,000	\$ 2,000	\$ 6,000	\$ 10,000
<b>Subtotal</b>		<b>\$ 26,000</b>	<b>\$ 9,500</b>	<b>\$ 56,500</b>	<b>\$ 92,000</b>
<b>Task 4 - Final Product Development</b>					
Final Report Development	Consultant Group	\$ 21,000	\$ 2,000	\$ 3,000	\$ 26,000
Interactive Website & DSS Development		\$ 9,500	\$ 3,000	\$ 24,000	\$ 36,500
Final PowerPoint Presentation Development		\$ 3,000	\$ -	\$ -	\$ 3,000
<b>Subtotal</b>		<b>\$ 33,500</b>	<b>\$ 5,000</b>	<b>\$ 27,000</b>	<b>\$ 65,500</b>

**TOTAL LABOR** \$ 250,000  
**TOTAL DIRECT COSTS** \$ 35,000  
**TOTAL PROJECT BUDGET** \$ 285,000

**Direct Costs**

CATEGORY	Licenses	Supplies, Materials, Final Products	Lodging, Meals, Facilities Rental	Travel Expenses (Airfare/Car Rental)	Travel Expenses (Mileage)	Total
<b>Task 1</b>						
2019 Colorado IMPLAN Dataset	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Instate Travel	\$ -	\$ -	\$ 500	\$ -	\$ 1,500	\$ 2,000
Out of State Travel	\$ -	\$ -	\$ 2,000	\$ 3,000	\$ -	\$ 5,000
Stakeholder Meeting Expenses	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ 1,000
<b>Subtotal</b>						<b>\$ 14,000</b>
<b>Task 2</b>						
Instate Travel	\$ -	\$ -	\$ 500	\$ -	\$ 1,500	\$ 2,000
Out of State Travel	\$ -	\$ -	\$ 2,000	\$ 3,000	\$ -	\$ 5,000
Stakeholder Meeting Expenses	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ 1,000
<b>Subtotal</b>						<b>\$ 8,000</b>
<b>Task 3</b>						
Website Back-End Expenses	\$ 3,250	\$ -	\$ -	\$ -	\$ -	\$ 3,250
Instate Travel	\$ -	\$ -	\$ 250	\$ -	\$ 500	\$ 750
<b>Subtotal</b>						<b>\$ 4,000</b>
<b>Task 4</b>						
Report Printing/Production	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Instate Travel	\$ -	\$ -	\$ 500	\$ -	\$ 1,500	\$ 2,000
Out of State Travel	\$ -	\$ -	\$ 2,000	\$ 3,000	\$ -	\$ 5,000
Stakeholder Meeting Expenses	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 500
<b>Subtotal</b>						<b>\$ 9,000</b>
<b>Subtotals</b>	<b>\$ 9,250</b>	<b>\$ 2,500</b>	<b>\$ 9,250</b>	<b>\$ 9,000</b>	<b>\$ 5,000</b>	<b>\$ 35,000</b>



# STATE OF COLORADO

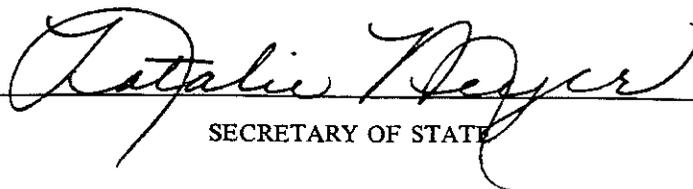
DEPARTMENT OF  
STATE

## CERTIFICATE

I, *NATALIE MEYER*, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION TO WILLIAM J. PALMER PARKS FOUNDATION, INC., A NONPROFIT CORPORATION. DATE OF INCORPORATION - AUGUST 1, 1988.

Dated: FEBRUARY 14, 1994

  
SECRETARY OF STATE

NONPROFIT

FILED

AUG - 1 1988

STATE OF COLORADO  
DEPARTMENT OF STATE

ARTICLES OF INCORPORATION  
OF

WILLIAM J. PALMER PARKS FOUNDATION, INC.

The undersigned natural person, acting as incorporator, hereby ratifies the Articles of Incorporation of a nonprofit corporation pursuant to the Colorado Nonprofit Corporation Act and adopts the following restated Articles of Incorporation, which are intended to duplicate and update those originally Articles of Incorporation filed September 26, 1977, and the Articles of Amendment to the Articles of Incorporation dated August 31, 1978.

ARTICLE I

NAME

The name of the corporation is WILLIAM J. PALMER PARKS FOUNDATION, INC.

ARTICLE II

PERIOD OF DURATION

The corporation shall have perpetual existence.

ARTICLE III

PURPOSES

The corporation is organized exclusively for charitable, religious, educational, and scientific purposes,

including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

#### ARTICLE IV

##### POWERS

Section 4.1 GENERAL POWERS. In furtherance of the foregoing purposes and objectives (but not otherwise), and subject to the restrictions set forth in Section 4.2, below, the corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of the State of Colorado and may do everything necessary or convenient for the accomplishment of any of the corporate purposes either along or in connection with other corporations, firms or individuals, and either as principal or agent, and may receive and maintain a fund or funds or real and/or personal property and apply the whole or any part of the income and/or principal thereof for the accomplishment of any of the corporate purposes, all subject to such limitations as are or may be prescribed by law.

Section 4.2 RESTRICTIONS UPON EARNINGS. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or

other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

#### ARTICLE V

##### REGISTERED OFFICE AND AGENT

The address of the registered office of the corporation is ~~316~~ North Tejon Street, Colorado Springs, ~~Colorado~~ 80903. The name of its registered agent at such address is ~~Bruce N. Warren~~.

ARTICLE VI

MEMBERS AND VOTING

The corporation shall have such members and classes for members as may from time to time be prescribed by its bylaws. No member of the corporation shall have any voting rights. The tenure, manner of election or appointment, qualifications, terms of membership, rights, powers, privileges and immunities of the members shall be as from time to time stated in the bylaws.

ARTICLE VII

STOCK

The corporation shall not have or issue shares of capital stock or pay dividends.

ARTICLE VIII

BOARD OF TRUSTEES

Section 8.1 GENERAL. The management of the affairs of the corporation shall be vested in a board of trustees. The number and qualifications of trustees, their term of office and manner of their selection and election shall be determined according to the bylaws of the corporation from time to time in force. The trustees may be classified by term of office if the bylaws so provide. The following are the current trustees of the corporation and their addresses, who shall serve until their successors are elected and qualified:

John Covert  
1040 South Eighth Street  
Colorado Springs, CO 80906

Patti Margrave  
29 Crescent Lane  
Colorado Springs, CO 80904

Dave Overlin  
11750 Valle Verde Drive  
Colorado Springs, CO 80906

Ralph Bullock  
5180 N. Union Blvd.  
Colorado Springs, CO 80918

Anita Fredericks  
710 Regulus Drive  
Colorado Springs, CO 80906

Parry Thomas  
4615 Hagerman Avenue  
Cascade, CO 80809

Morey Bean  
25 N. Wahsatch  
Colorado Springs, CO 80903

Stuart P. Dodge  
2610 Spring Grove Terrace  
Colorado Springs, CO 80906

Mary B. Downs  
13 Mirada Road  
Colorado Springs, CO 80906

Thomas L. Fellows  
111 S. Cascade, Suite 250  
Colorado Springs, CO 80903

Mary Kyer  
5195 Thistle Court  
Colorado Springs, CO 80917

Terry Golden  
155 W. Lake Ave.  
Colorado Springs, CO 80906

H.E. Owsley  
455 E. Pikes Peak Ave., Suite 300  
Colorado Springs, CO 80903

Melissa Walker  
1731 W. Pikes Peak Ave.  
Colorado Springs, CO 80904

Ann H. Young  
525 W. Cheyenne Rd.  
Colorado Springs, CO 80906

Ann H. Zwinger  
1825 Culebra Place  
Colorado Springs, CO 80907

Ken Barber  
5180 N. Union Blvd.  
Colorado Springs, CO 80903

Mary Helen Carlson  
1040 Constellation Place  
Colorado Springs, CO 80906

Gernot Heinrichsdorff  
418 Dahlia  
Colorado Springs, CO 80904

Harold Ingersoll  
3075 Wild Horse Rd.  
Colorado Springs, CO 80906

Dave Kast  
21 Summer Rd.  
Colorado Springs, CO 80906

Sally Meadows  
128 Rainbow Place  
Colorado Springs, CO 80906

Pat Riley  
5495 Oro Grande Dr.  
Colorado Springs, CO 80918

Ruth M. Wild  
2080 Mesa Road  
Colorado Springs, CO 80904

Kathy Winternitz  
1423 W. Pikes Peak  
Colorado Springs, CO 80904

Gene Fuhlrodt  
2394 Wood Ave.  
Colorado Springs, CO 80917

Marvin Harris  
1840 Rimwood Dr.  
Colorado Springs, CO 80907

Bill Ruskin  
1365 Winding Ridge  
Terrace 19  
Colorado Springs, CO 80918

Section 8.2 INDEMNIFICATION. The corporation shall indemnify any trustee, officer or former trustee or officer of the corporation, or any person who may have served at its request as a director, trustee or officer of another corporation in which the corporation owns shares of stock or of which the corporation is a creditor, against expenses (including attorney's fees), judgments, fines and/or amounts paid in settlement actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been a trustee or officer, except in relation to matters as to which he is adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty to the corporation. The indemnification rights provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, resolution of trustees or otherwise, and shall continue as to a person who has ceased to be a trustee or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

The corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee, fiduciary or agent of the corporation, or who is or was serving at the request of the corporation as a trustee, director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and/or incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions set forth herein.

Section 8.3 LIMITATION OF TRUSTEE LIABILITY. No trustee of the corporation shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a trustee; provided, however; this provision shall not eliminate or limit the liability of a trustee to the corporation or its members for monetary damages for:

(i) Any breach of the trustee's duty of loyalty to the corporation or its members;

(ii) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(iii) Acts specified in C.R.S. § 7-24-111; or

(iv) Any transaction from which the trustee derived an improper personal benefit.

Section 8.4 CONFLICTS OF INTEREST. No contract or other transaction between the corporation and one or more of its trustees or any other corporation, partnership, firm, association or other organization in which one or more of its trustees or officers are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the trustee or officer is present at, or participates in, the meeting of the board of trustees or a committee thereof which authorizes, approves or ratifies such contract or transaction, or solely because his or their votes are counted for such purpose if:

(i) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of trustees or the committee, and the board of trustees or the committee in good faith authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of the disinterested trustees, even though the disinterested trustees are less than a quorum; or

(ii) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of trustees or a committee thereof.

Common or interested trustees may be counted in determining the presence of a quorum at a meeting of the board of trustees or a committee thereof which authorizes, approves or ratifies such contract or transaction.

## ARTICLE IX

### DISSOLUTION

Upon the dissolution of the corporation, the board of trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the board of trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## ARTICLE X

### BYLAWS

The bylaws of the corporation shall be as previously adopted by the board of trustees. Such board shall have power to alter, amend or repeal the bylaws from time to time in force

and to adopt new bylaws. Such bylaws may contain any provisions for the regulation or management of the affairs of the corporation which are not inconsistent with law or these Articles of Incorporation, as the same may from time to time be amended. However, no bylaws at any time in effect, and no amendment to these Articles of Incorporation, shall have the effect of giving any member, trustee or officer of this corporation any proprietary interest in its property or assets, whether during the term of its existence or as an incident to its dissolution.

ARTICLE X

INCORPORATOR

The name and address of the incorporator is:

Bruce N. Warren  
Hecox, Tolley, Keene & Beltz, P.C.  
316 North Tejon Street  
Colorado Springs, CO 80903

Dated: July 28, 1988

Bruce N. Warren  
BRUCE N. WARREN, Incorporator

STATE OF COLORADO )  
                          )  SS.  
COUNTY OF EL PASO )

The foregoing instrument was acknowledged before me  
this 28<sup>th</sup> day of July, 1988, by BRUCE N. WARREN.

WITNESS MY HAND AND OFFICIAL SEAL.

Sharon A. Wilson  
Notary Public

My Commission expires: 4-4-89

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**WILLIAM J. PALMER PARKS FOUNDATION, INC.**  
**DOING BUSINESS AS PALMER LAND TRUST**  
**A Colorado Nonprofit Corporation**

The William J. Palmer Parks Foundation, Inc. doing business as Palmer Land Trust, is referred to herein as “Palmer Land Trust”. The board of directors shall be referred to herein as the “board of trustees” and directors as “trustees”.

**Article I**  
**MEMBERS**

**1.1 NON-VOTING.** There shall be no voting memberships in Palmer Land Trust.

**1.2 OTHER MEMBERSHIPS.** The Board of Trustees of Palmer Land Trust may establish non-voting memberships in Palmer Land Trust. In the event that such non-voting memberships are established, then the memberships shall have such rights as the board of trustees may designate. The board of trustees may issue certificates evidencing such non-voting memberships.

**Article II**  
**TRUSTEES**

**2.1 MANAGEMENT.** The corporate powers shall be exercised by or under the authority of, and the business and affairs of Palmer Land Trust shall be managed under the direction of, a board of trustees.

**2.2 NUMBER OF TRUSTEES.** The number of trustees shall be at least seven (7) and not more than twenty-four (24), excluding advisory trustees. Within that range, the number of trustees shall be as stated by resolution adopted by the board of trustees from time to time, but no decrease in the number of trustees shall have the effect of shortening the term of any trustee then serving.

**2.3 QUALIFICATION.** Trustees shall be natural persons at least eighteen (18) years old but need not be residents of the State of Colorado.

**2.4 ELECTION.** Members of the board of trustees shall be elected by the then serving trustees, or as otherwise provided in the Colorado Revised Nonprofit Corporation Act (hereinafter the “Act”, as such Act may be amended from time to time).

**2.5 TERM.** Each trustee shall serve a three (3) year term and no more than two (2) consecutive terms. Terms begin at the next board meeting following the annual meeting at which the trustee is elected. Trustees shall serve until (a) completion of their elected term, (b) death, (c) resignation, or (d) removal. No trustee shall serve for more than six (6) consecutive years unless he or she is serving as an officer of the board, in which case his or her term may be extended for up to an additional two (2) years. Irrespective of the length of service as a regular trustee, a former

trustee shall be eligible to serve as an advisory trustee immediately following his or her regular term.

**2.6 RESIGNATION.** A trustee may resign at any time by giving written notice of his or her resignation to the chairman of Palmer Land Trust. The resignation shall be effective immediately upon receipt by the chairman, unless the notice of resignation specifies a later effective date.

**2.7 REMOVAL.** Any trustee may be removed, with or without cause, by the board of trustees.

**2.8 VACANCIES.** If a vacancy occurs on the board of trustees, the remaining members of the board of trustees may elect a new trustee to fill the vacancy. The trustee elected to fill the vacancy shall serve until the next annual meeting of the board of trustees at which time he/she will be eligible for election to a full three-year term and will also be eligible for a second consecutive three-year term.

**2.9 MEETINGS.** The board of trustees may hold regular or special meetings in or out of Colorado. Regular meetings of the board of trustees shall be held at least four (4) times a year. Special meetings of the board of trustees for any purpose may be called at any time by the chairman of the board of trustees, a vice chairman, the secretary, or any two trustees.

**2.10 ANNUAL MEETING.** The annual meeting for the purpose of electing trustees and for such other business as may be required, shall be held each December.

**2.11 NOTICE OF SPECIAL MEETING.** Notice of a special meeting of the board of trustees shall be given to every trustee then serving at least seventy-two (72) hours before the time of the meeting, stating the date, time, and place of the meeting. The notice need not describe the purpose of the meeting. Notice may be given to the trustee orally, personally, or by telephone or wire or wireless communication. Notice may also be given in writing by electronically transmitted facsimile, electronic mail, United States mail, or private carrier. Notice shall be effective at the earliest of the time it is received; five days after it is sent electronically to the last electronic mail address for the trustee shown on the records of Palmer Land Trust; five days after it is deposited in the United States mail, properly addressed to the last address for the trustee shown on the records of Palmer Land Trust, first class postage prepaid; or the date shown on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, in the United States mail and if the return receipt is signed by the trustee to whom the notice is addressed.

**2.12 QUORUM.** A majority of the number of trustees then serving shall constitute a quorum for the transaction of business at all meetings of the board of trustees. The act of a majority of the trustees present at any meeting at which a quorum is present shall be the act of the board of trustees, except as otherwise specifically required by law or in these bylaws. Each trustee present when a vote is held shall be entitled to one vote. Voting by proxy is not allowed.

**2.13 WAIVER OF NOTICE.**

(a) A trustee may waive any notice of a meeting before, at, or after the time and date of the meeting stated in the notice. The waiver shall be in writing, shall be signed by the trustee, and delivered to the secretary for filing with the corporate records.

(b) A trustee's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless, at the beginning of the meeting or promptly upon his or her later arrival, the trustee objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter, at the meeting, vote for or assent to action taken at the meeting.

**2.14. ATTENDANCE BY TELECOMMUNICATIONS.** One or more trustees may participate in a regular or special meeting by, or conduct the meeting through, the use of any means of communication by which all trustees participating may hear each other at the same time during the meeting. A trustee participating in a meeting by this means is deemed to be present in person at the meeting.

**2.15 DEEMED ASSENT TO ACTION.** A trustee who is present at a meeting of the board of trustees when corporate action is taken shall be deemed to have assented to all action taken at the meeting unless:

(a) The trustee objects, at the beginning of the meeting or promptly upon his or her later arrival, to holding the meeting or transacting business at the meeting and does not thereafter, at the meeting, vote for or assent to any action taken at the meeting;

(b) The trustee contemporaneously requests that his or her dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(c) The trustee causes written notice of his or her dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the secretary (or, if the trustee is the secretary, by another trustee) promptly after adjournment of the meeting.

The right of dissent or abstention pursuant to this Section 2.15 as to a specific action is not available to a trustee who votes in favor of the action taken.

**2.16. ACTION BY TRUSTEES WITHOUT A MEETING.**

(a) Unless otherwise provided in these bylaws, any action required or permitted by law to be taken at a board of trustees meeting may be taken without a meeting if notice is transmitted in writing to each trustee and each trustee by the time stated in the notice: (1) votes in writing in favor of such action; or (2)(a) votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and (2)(b) fails to demand in writing that action not be taken without a meeting.

(b) A trustee's right to demand that action not be taken without a meeting shall be deemed to have been waived unless Palmer Land Trust receives such demand from the trustee in writing by the time stated in the notice and such demand has not been revoked.

(c) The above required notice shall state: (1) the action to be taken; (2) the time by which a trustee must respond; (3) that failure to respond by the time stated in the notice will have the same effect as (a) abstaining in writing, and (b) failing to demand in writing that action not be taken without a meeting; and (4) any other matters Palmer Land Trust determines to include.

(d) Unless otherwise provided by the bylaws, all communications under this section may be transmitted or received by Palmer Land Trust by electronically transmitted facsimile, e-mail, or other form of wire or wireless communication. For purposes of this section, communications to Palmer Land Trust are not effective until received.

(e) Action is taken under this section only if, at the end of the time stated in the notice: (1) the affirmative votes in writing for such action received by Palmer Land Trust equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the trustees then in office were present and voted; and (2) Palmer Land Trust has not received a written demand by a trustee that such action not be taken without a meeting. Unless the notice states a different effective date, action taken pursuant to this section shall be effective at the end of the time stated in the notice. Action taken pursuant to this section has the same effect as action taken at a board meeting and may be described as such in any document.

**2.17 ADVISORY TRUSTEES.** The chairman may appoint a natural person as an advisory trustee of the board of trustees or of any committee. An advisory trustee shall serve at the pleasure of the chairman and his or her appointment shall be reviewed at least annually. An advisory trustee will have voice but no vote at meetings of the board or committees. An advisory trustee will not count toward a quorum for meetings of the board or committees.

### **Article III COMMITTEES OF THE BOARD OF TRUSTEES**

**3.1 COMMITTEES OF THE BOARD OF TRUSTEES.** The board of trustees may create or dissolve one or more committees and elect one or more members of the board of trustees to serve on them. The creation or dissolution of a committee shall require the approval of a majority of all the trustees in office when the action is taken.

**3.2 MEETINGS.** The provisions of these bylaws governing meetings, action without meeting, notice, waiver of notice, and quorum and voting requirements of the board of trustees apply to committees and their members as well.

**3.3 AUTHORITY.** To the extent specified by resolution adopted from time to time by a majority of all the trustees in office when the resolution is adopted, each committee may exercise the authority of the board of trustees with respect to the corporate powers and the management of the business and affairs of Palmer Land Trust; except that a committee shall not:

- (a) Authorize distributions;
- (b) Elect, appoint, or remove a trustee;
- (c) Amend or restate the articles of incorporation;
- (d) Adopt, amend or repeal the bylaws;
- (e) Approve a plan of merger; or
- (f) Approve a sale, lease, exchange, or other disposition of all or substantially all of Palmer Land Trust's property.

**3.4 TRUSTEES DUTIES.** The creation of, delegation of authority to, or action by, a committee does not alone constitute compliance by a trustee with applicable standards of conduct.

#### **Article IV OFFICERS**

**4.1 GENERAL.** Palmer Land Trust may, at the discretion of the board of trustees, have as officers a chairman, vice chairman, treasurer and secretary, who shall be elected by the board of trustees. The board of trustees may also designate, as additional offices, those of vice chairman, assistant secretaries, assistant treasurers, and such other offices as it may deem necessary or appropriate; and the board of trustees may elect trustees to such offices. The officers of Palmer Land Trust shall exercise such authority and perform such duties as shall be determined by these bylaws or the board of trustees. Any two or more offices may be held by the same person. The officers of Palmer Land Trust shall be natural persons at least eighteen years old, a trustee of Palmer Land Trust, and have served as a trustee for at least one year prior to becoming an officer.

**4.2 TERM.** Each officer shall hold office for a term of two (2) years from the time of election to his or her office or until the time of removal, resignation, or until the officer's death. An officer may serve consecutive terms consistent with section 2.5 of these bylaws.

**4.3 REMOVAL AND RESIGNATION.** Any officer may be removed, with or without cause, at any time by the board of trustees. Any officer may resign at any time by giving written notice of resignation to any officer of Palmer Land Trust. Acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.

**4.4 CHAIRMAN.** The chairman shall preside at all meetings of the board of trustees. The chairman shall have general directive supervision over the other officers of Palmer Land Trust, subject to the control of the board of trustees, and will represent, or will appoint someone to represent, Palmer Land Trust at public meetings. The chairman may sign and execute with the secretary or treasurer, in the name of Palmer Land Trust, deeds, contracts or other instruments authorized by the board of trustees, except in cases where the signing and execution thereof has been expressly delegated by the board of trustees or by these bylaws to some other officer or agent

of Palmer Land Trust. The chairman shall be an ex-officio member of all committees created by the board of trustees.

**4.5 VICE CHAIRMAN.** The vice chairman, if any, or, if there are more than one, the vice chairmen in the order determined by the board of trustees or the chairman (or, if no such determination is made, in the order of their appointment), shall be the officer or officers next in seniority after the chairman. Each vice chairman shall have such authority and duties as are prescribed by the board of trustees. Upon the death, absence, or disability of the chairman, the vice chairman, if any, or, if there are more than one, the vice chairmen in the order determined by the board of trustees or the chairman, shall have the authority and duties of the chairman.

**4.6 SECRETARY.** The secretary shall be responsible for the preparation and maintenance of minutes of the meetings of the board of trustees, and of the other records and information required to be kept by Palmer Land Trust under the Act, and for authenticating records of Palmer Land Trust. The secretary shall also give, or cause to be given, notice of all special meetings of the board of trustees and keep the minutes of such meetings; be responsible for the maintenance of all other corporate records and files, and for the preparation and filing of reports to governmental agencies (other than tax returns); and have such other authority and duties as are appropriate and customary for the office of secretary, except as the same may be expanded or limited by the board of trustees from time to time.

**4.7 TREASURER.** The treasurer shall be responsible for the management of the funds and the care and custody of all stocks, bonds, and other securities owned by Palmer Land Trust, and for the preparation and filing of tax returns. Except as otherwise may be authorized by the board of trustees, the treasurer shall receive all moneys paid to Palmer Land Trust and, subject to any limits imposed by the board of trustees, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in Palmer Land Trust's name and on Palmer Land Trust's behalf, and give full discharge for the same. The treasurer shall also have responsibility for the disbursement of funds of Palmer Land Trust, the maintenance of full and accurate records of the receipts and disbursements, and the deposit of all moneys and other valuable effects in the name and to the credit of Palmer Land Trust in such depositories as shall be designated by the board of trustees. The treasurer shall have such additional authority and duties as are appropriate and customary for the office of treasurer, except as the same may be expanded or limited by the board of trustees from time to time.

**4.8 COMPENSATION.** Officers may receive such compensation for their services as may be authorized or ratified by the board of trustees. Election of an officer shall not of itself create a contractual right to compensation for services performed as such officer.

## **Article V INDEMNIFICATION**

**5.1 INDEMNIFICATION.** Palmer Land Trust shall indemnify the trustees, officers, agents, employees and fiduciaries of Palmer Land Trust to the fullest extent permitted under the Act.

**5.2 INSURANCE.** Palmer Land Trust may purchase and maintain insurance on behalf of a person who is or was a trustee, officer, employee, fiduciary or agent of Palmer Land Trust against liability asserted against or incurred by the person in that capacity or arising from his or her status as a trustee, officer, employee, fiduciary or agent, whether or not Palmer Land Trust would have power to indemnify the person against the same liability under the Act. Any such insurance may be procured from any insurance company designated by the board of trustees.

**Article VI  
MISCELLANEOUS**

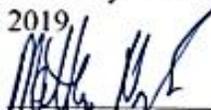
**6.1 501(C)(3) STATUS.** The board of trustees shall take all actions necessary to secure and maintain Palmer Land Trust's status as an entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended to date, or any similar section of a subsequent version of the Internal Revenue Code.

**6.2 RECEIPT OF NOTICES BY PALMER LAND TRUST.** Notices and other documents or writings shall be deemed to have been received by Palmer Land Trust when they are received:

- (a) At the registered office of Palmer Land Trust in the State of Colorado;
- (b) At the principal office of Palmer Land Trust (as that office is designated in the most recent document filed by Palmer Land Trust with the Secretary of State for the State of Colorado designating a principal office) addressed to the attention of the secretary of Palmer Land Trust;
- (c) By the chairman or the secretary of Palmer Land Trust wherever that officer may be found; or
- (d) By any other person authorized from time to time by the board of trustees, the chairman, or the secretary to receive such writings, wherever such person is found.

**6.3. AMENDMENT OF BYLAWS.** These bylaws may be amended, supplemented, or repealed by a two-thirds vote of the trustees present at any meeting at which a quorum is present. Before trustees may vote on an amendment to these bylaws, written notice must be given to all trustees then serving of the proposed amendment at least thirty (30) days before the amendment is to be considered. These bylaws or amendments thereto shall become effective upon approval by the board.

These bylaws were duly adopted by the Board of Trustees of Palmer Land Trust on March 6,  
2019.

  
\_\_\_\_\_  
[Printed name], Secretary  
Matthew Nizank