



2023 Agricultural Stewardship Program Report

Prepared for the
Weld County Board of County Commissioners

December 31, 2023

Executive Summary

- Thornton acquired farm land and water rights in Weld County in 1985 and 1986 as part of a water supply project.
- Since 1986, Thornton has contributed over \$18 million to the local Weld and Larimer County economies through its Agricultural Stewardship operations, including Voluntary Payments in Lieu of Taxes to Weld and Larimer County agencies, and the use of local vendors on Thornton's projects and operations.
- Thornton owns 104 farms on approximately 17,161 acres in Weld County.
- In 2023, there were 6,941 acres included in Thornton's Revegetation Program in Weld County. To date, 6,033 acres have been approved as established self-sustaining dryland grasses by the Natural Resources Conservation Service. Thornton's 2023 Revegetation Program successfully maintained these self-sustaining dryland grasses with grazing, weed management, mechanical mowing, cutting, and baling.
- The remainder of the farms in Weld County will stay in irrigated agriculture until the water is needed for municipal use in Thornton. It is currently estimated that additional conversions from irrigated agriculture to self-sustaining dryland grasses will not be needed until approximately 2030.
- Thornton currently owns 56 farm houses in Weld County, the majority of which were leased to Weld County residents in 2023.
- Thornton's Farm House Repair Program addresses repair needs on Thornton-owned houses and outbuildings. Thornton uses local contractors and vendors for this program to perform anything from re-roof projects, window replacement, new siding, painting, structural fixes, to septic replacements.
- In 2023, for the fifth year in a row, Thornton utilized the transmountain water associated with a small number of Water Supply and Storage Company shares for its own use.
- In 2023, Thornton expanded its grazing program to two additional farms (Farm 60-4 and Farm 28-9).
- In 2023, Thornton continued to make progress on the Thornton Northern Properties Stewardship Plan (TNPSP) that will help inform the long-term uses of Thornton's farm properties. In 2023, 13 meetings were held with local town planners, community members, farm tenants, the Water Optimization Study Group, and the Steering Committee to solicit feedback on the TNPSP as well as

review and finalize recommendations on future potential land uses for Thornton's properties in the plan.

Introduction

In 1985 and 1986, Thornton purchased over 20,000 acres of farms and associated water rights in Weld and Larimer Counties. Thornton purchased the assets for a water supply project that would be used to meet the demands of the growing city. Since Thornton's acquisitions of farms and water, Thornton has operated under a good neighbor policy of working with farmers, residents, businesses, and governmental entities to effectively manage its properties and provide benefits to the Weld County communities. This annual report provides a summary of Thornton's 2023 operations and activities in Weld County.

Since 1986, Thornton has operated a local Agricultural Stewardship Office (formerly known as the Farm Management Office). Thornton's Agricultural Stewardship staff recently marked the 5-year anniversary of working out of the newly constructed office in the Town of Ault. The office is located on 313 acres of Thornton owned land that was annexed into the Town of Ault in 2017. The function of the Agricultural Stewardship Office is to oversee the operation, leasing, management, and maintenance of Thornton's properties in Weld and Larimer Counties. Thornton cash-leases its farms to local farmers, and several farmers who originally sold farms to Thornton continue to lease these farms from the city. Other Thornton farms have been removed from irrigated agriculture, and Thornton has converted, or is in the process of converting, these farms to self-sustaining dryland grasses. This conversion of farms from irrigated agriculture to a non-irrigated use is required by Thornton's Water Court Decree and must be satisfactorily accomplished before Thornton can deliver water to Thornton customers.

The Thornton Agricultural Stewardship Office pro-actively manages Thornton's properties, tenants, vendors, and responds to issues and concerns when they arise. Since 1986, Thornton has spent over \$18 million on its Agricultural Stewardship operations, which include activities such as tree trimming, structural repairs, reroofs, plumbing/heating and electrical repairs, and culvert replacements. In addition, since 1987, Thornton has made voluntary payments in lieu of taxes to taxing authorities in Weld and Larimer Counties. Since 2010, Thornton has adjusted its voluntary payments to the counties to reflect changes in property values and the local tax schedule. The 2023 voluntary payment to Weld County taxing authorities was \$303,303. Since 1987, approximately \$6,860,489 has been paid to Weld County taxing authorities.

Over the years, Thornton has partnered with local governmental entities and businesses to enhance their operations. For example, Thornton sold land and the associated mineral rights to the Weld County RE-9 School District for expansion of the school campus in Ault and construction of a new station for the Ault/Pierce Fire District. The city has also worked with local agricultural producers to acquire land to improve their operations. Fagerberg Produce expanded their onion processing facility onto land acquired from Thornton and Longs Peak Dairy has acquired three Thornton farms to improve their operation. In

addition, the City was able to contribute to the purchase of a new stock trailer and the annual student fundraiser for Highland High School's FFA program.

Since 2003, Thornton has leased approximately 85,065 acre-feet of water to the Central Colorado Water Conservancy District (Groundwater Management Sub-district and Well Augmentation Sub-district) for operation of an augmentation plan for irrigation wells in Weld County.

The North Weld County Water District (North Weld) approached Thornton in early 2020 about the need to secure additional back-up water supplies while the Soldier Canyon Outlet at Horsetooth Reservoir was shutdown for repairs. Thornton and North Weld entered into an Intergovernmental Agreement where Thornton would lease up to 800 acre-feet of Thornton's transmountain water to North Weld during the repair project. The repair project was completed ahead of schedule and North Weld ultimately did not need to take delivery of Thornton's water.

Thornton looks forward to its continued contribution to and cooperation with the Weld County community.

Thornton's 2023 Agricultural Stewardship Operations

Revegetation Project

Thornton currently owns 104 farms on approximately 17,161 acres in Weld County. To date, a total of 6,941 acres in Weld County have been taken out of irrigated agricultural production and have been, or are in the process of being, revegetated to self-sustaining dryland grasses. Total approved revegetated acres by the Natural Resources Conservation Service (NRCS) is 6,033 acres. An additional 788 acres of land in Larimer County are currently in Thornton's revegetation program. Thornton implements its revegetation program in Weld and Larimer Counties with contractors and vendors that are selected through a competitive bid process that is advertised locally. Since 2006, all revegetation contractors and vendors have been from the local Weld and Larimer County communities. Since 2006, Thornton has spent approximately \$4,300,000 with these local vendors on its revegetation project. Attached is a current map of the Thornton properties located in Weld County.

Thornton's revegetation program has resulted in the successful establishment of a self-sustaining, dry-land cover on the farms that have been removed from irrigated agricultural production. Each farm is unique, and the revegetation process is highly dependent on natural moisture. Thornton evaluates and adjusts its revegetation methods on a yearly and farm-by-farm basis.

In 2023, Thornton expanded its grazing program. Farm 28-9 and Farm 60-4 were added to the program in 2023 and successfully grazed by two local grazing operators in coordination with the NRCS. Thornton works with the NRCS to develop a rotational

grazing plan for each Farm on a yearly basis. Rotational grazing is used to prevent overgrazing and improve grassland health. Additionally, the perimeter fence for Farm 28-9 was upgraded. Thornton does not allow horse grazing on its properties because this activity has led to erosion issues in the past.

The dryland grasses on the other farms that have been revegetated may be cut and baled by local vendors when natural moisture has been enough to produce a harvestable stand of grass. This procedure maintains the health of the dryland grass. In 2023, eight (8) Farms were cut and baled resulting in 2,032 round bales that were sold to local operations.

Thornton's current plans are to complete revegetation and obtain NRCS approval on a total of 6,941 acres in Weld County by 2025. The remainder of the farms in Weld County will stay in irrigated agriculture until the water is needed for municipal use in Thornton. It is currently estimated that additional conversions from irrigated agriculture to self-sustaining dryland grasses will not be needed until after 2030. This timeline is a planning estimate and is subject to change to meet Thornton's water supply needs.

A significant portion of the Water Supply and Storage Company (WSSC) water that was used to irrigate Thornton's revegetated farms continues to be used within the WSSC irrigation system on farms that are still in irrigated agriculture. Tenants of Thornton-owned farms have priority in renting this surplus water. After those requests have been fulfilled, most of the remaining water is rented to other farmers throughout the WSSC system on a first come, first serve basis.

Pursuant to Thornton's Water Court Decree, Thornton has initiated a recharge program to help maintain the ground water levels in the alluvial aquifer around the Ault area for well users. This program develops and implements recharge facilities that replicate historic Thornton farm groundwater return flows that accrued to the alluvial aquifer by utilizing recharge ponds to infiltrate water back to the aquifer. In 2023, Thornton constructed its second recharge facility located on Farm 78-8.

The following are pictures of Farms in Weld County, as well as a map of Thornton's Weld County Farms.

Farm #30—Located on County Road 78 between County Road 13 and 15.



Farm #60-5—Located at the intersection of County Road 96 and County Road 39.
Cattle are grazing in the background.



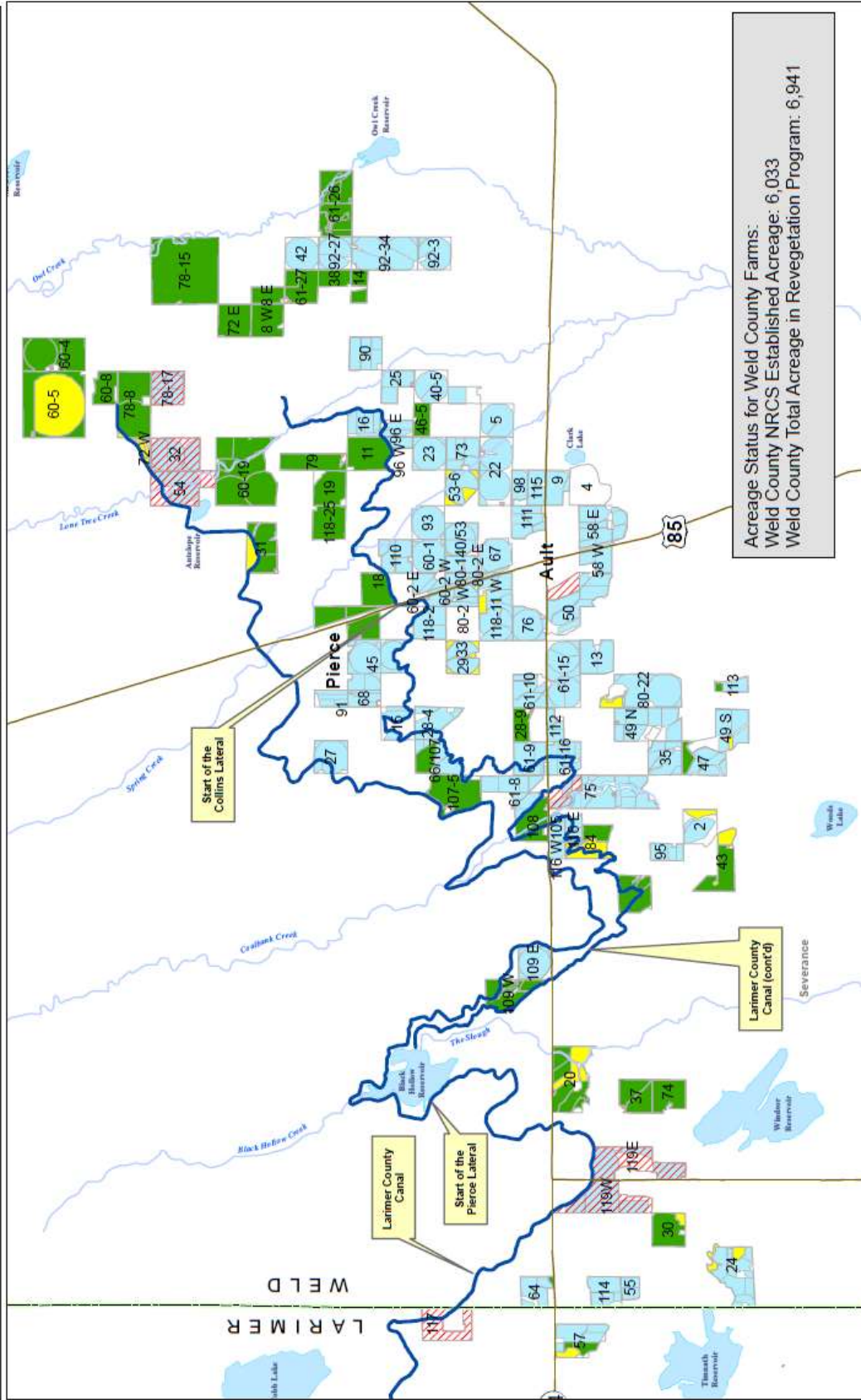
Farm #78-8—Located at the intersection of County Road94 and County Road 39.
Picture shows the newly constructed recharge facility.



Thornton Agricultural Stewardship Office Revegetation Map – Weld County



- Active Revegetation
- NRCS Established
- Other
- Passive Revegetation
- Irrigated Acres
- Solid



Last updated 12/11/2023

Thornton's Irrigated Farms

The Thornton farms that remain in irrigated agricultural production in Weld County are leased to local farmers on a cash-lease basis at market rates. Water from ditch company shares or wells is provided with the leases for irrigated land. Thornton generally provides three-year leases to allow farmers to adequately plan their operations. These farms had the following approximate crop distribution in 2023:

Crop	Percent
Shell Corn	10%
Silage Corn	40%
Wheat	5%
Alfalfa	35%
Sugar Beets	5%
Onions	5%

Thornton's Residential Houses

In 2023, of the 56 houses owned by Thornton in Weld County, most of them were leased. These houses are leased on an annual basis. Thornton's houses provide affordable housing options for residents in Weld County. Thornton's house tenants take pride in their homes, and generally stay in the houses for over five years. The city has tenants who have been leasing houses from Thornton since 1986, as well as long-term tenants who have moved from one Thornton farm house to another to meet their space needs.

Sale of Thornton Houses

In 2013, Thornton began the process of selling some of the houses it owns in Weld and Larimer Counties. To date, 20 houses have been sold. Thornton is not currently marketing any additional houses, but may do so in the future.

Oil and Gas Leasing

Following the 2022 partial mineral rights sale, Thornton retained approximately 4,676 mineral acres, 4,574 of which are in Weld County. In Weld County Thornton currently has five leases with Petroleum Development Corporation (including PDC's acquisition of Great Western Oil and Gas), 12 leases with Bayswater Petroleum, five leases with Civitas Resources (formerly Extraction Oil and Gas), and two leases with Nickel Road Operating. These operators have a total of approximately 120 active wells in Weld County under Thornton leases.

Agricultural Stewardship Office

Thornton's Agricultural Stewardship Office is located on 313 acres of its land that is annexed into the Town of Ault. The annexed land is on the northern edge of town: south of WCR 84, between WCR 33 and WCR 35. Thornton's three permanent, full-time

Agricultural Stewardship employees moved into the new office in late November of 2018. There are three other buildings on the property that are currently being upgraded and used to house the City's pickups as well as other city equipment used to manage the properties in the area. The barn and the garage located on this property were re-roofed in 2019. In 2020, the pole barn received a new roof and garage doors. The garage received structural repairs to the roof and concrete masonry unit walls. The garage had new windows and doors installed and the structure was also painted. Upgrades to the barn included new windows, door and siding repairs. In 2021, the pole barn and garage received updated electrical and garage door operators. The barn received new paint and doors to keep the elements and birds out of the building.

Thornton Northern Properties Stewardship Plan

In 2023, the city continued work on the Thornton Northern Properties Stewardship Plan (TNPSP). The overall goal of this plan is to identify the best long-term uses of over 18,000 acres owned by Thornton in Larimer and Weld Counties. Thornton's goal is to develop a plan that will successfully incorporate a vision that achieves outcomes that are in the best interest of Thornton and the local communities where the properties are located.

In 2023, the TNPSP group held four site specific regional working group meetings to get feedback from local town planners and community members. An additional two community wide meetings and one farm tenant meeting were held to solicit feedback from local community members and current farm tenants. The Water Optimization Study Group meet three times in 2023 to develop their recommendations on how best to utilize the "continued irrigation" provision in Thornton's decree to help farmers, conservation groups, and other interested parties restore (with non-Thornton water) irrigation on prime farmlands. The TNPSP Steering Committee, which consists of local Larimer and Weld County stakeholders, met three times in 2023 to review the input gathered at the Water Optimization Study Group, regional working group, community, and farm tenant meetings as well as to provide guidance on finalizing the strategies, pathways, and development of recommendations on potential future land uses. All of this work was combined into a single report titled "Future Land Use Analysis and Water Optimization Study Market Feasibility Report" in December of 2023. In 2024, this report will be utilized to finalize the TNPSP and the plan will be presented to the Thornton City Council.