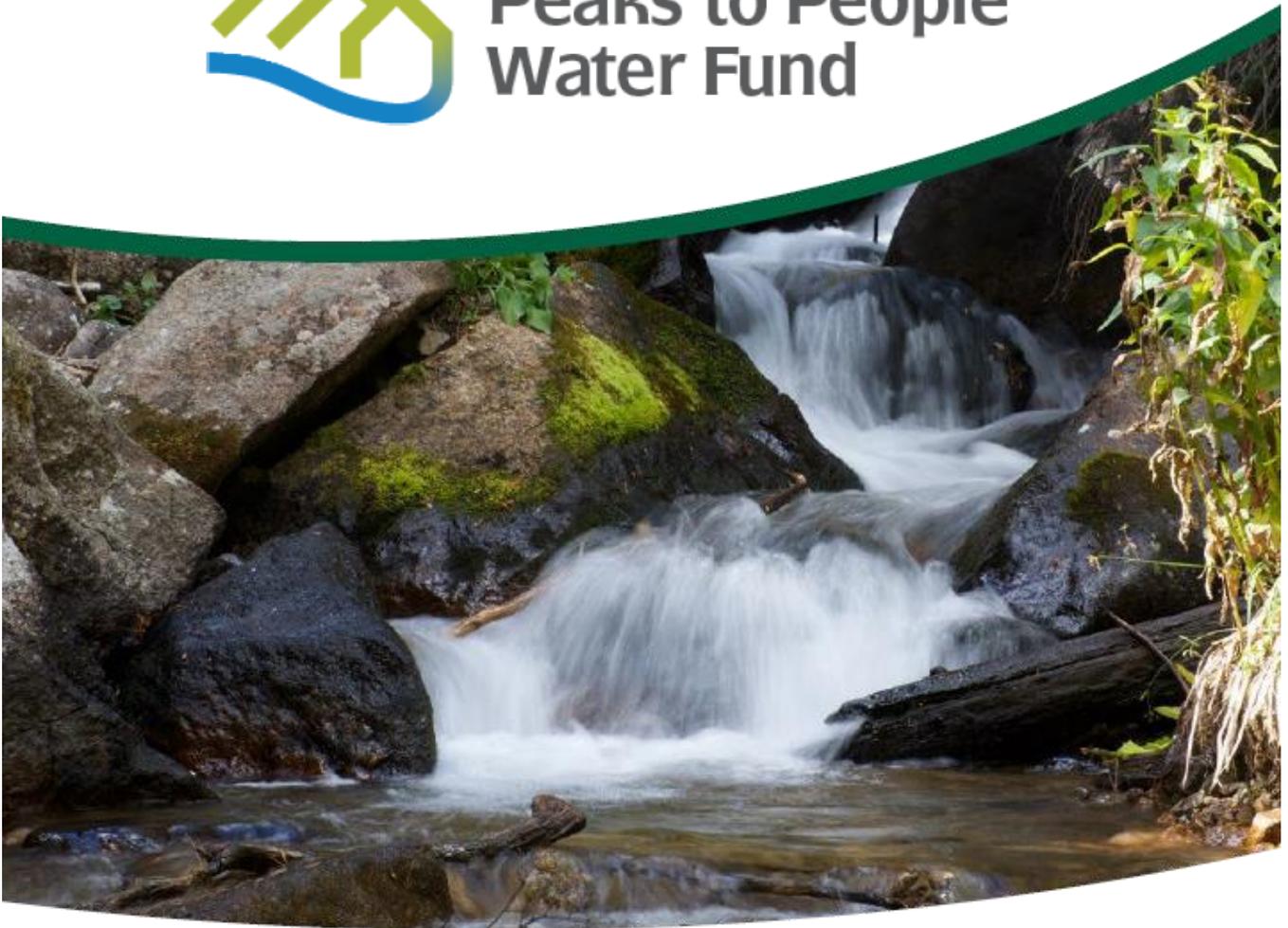


# PEAKS TO PEOPLE WATER FUND

## ADMINISTRATOR'S HANDBOOK



Peaks to People  
Water Fund



Version 1.0

May 2018

## INTRODUCTION

### PURPOSE OF THE HANDBOOK

Peaks to People Water Fund is an organization focused on mitigating wildfire risks in order to improve forest health, enhance water quality and quantity, protect wildlife habitat, and ensure businesses that rely heavily on clean and available water can prosper and thrive. This Administrator’s Handbook is meant to outline the role of the Administrator of Peaks to People Water Fund, especially by highlighting existing resources and describing annual tasks need to work toward ultimate success of the organization and mission.

As of May, 2018, the Executive Director of The Water Fund acts as the Administrator, as described here.

### TABLE OF CONTENTS

<b>Introduction</b>	Outlines the purpose and audience of this document, as well as associated documents that will aid in the management of the Water Fund.
<b>Error! Not a valid result for table.</b>	Describes the primary strategies of the Water Fund; developing novel funding sources and improving implementation efficiency.
<b>Administrator’s Role</b>	Describes the weekly, monthly, and annual tasks for the Administrator.
<b>Financial Management of the Water Fund</b>	Outlines the fiduciary responsibilities of the administrator.
<b>Appendix A. Policy &amp; Technical Considerations</b>	Details specific technical and policy considerations that have been discussed by the Water Fund.
<b>Appendix B. Business Canvas</b>	Outlines the Water Fund’s value proposition.

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## **MISSION & VISION**

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The Water Fund developed the following mission and vision with support of the Steering Committee and Board of Directors. This mission & vision is subject to change, but will remain up-to-date on the organization’s website.

### **Our Vision**

A Colorado where rural and urban communities join to enhance the natural resources, wildlands, and agricultural areas upon which our quality of life depends.

### **Our Mission**

To create a watershed fund through which community members support land stewards who conserve and enhance nature’s ability to provide clean and abundant water, healthy food, productive soils, carbon storage, wildlife habitat, and inspiring open spaces for all community members to enjoy.

## **ROLE OF THE ADMINISTRATOR**

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The Administrator of Peaks to People Water Fund is responsible for implementing the day-to-day activities that will realize the mission of the organization. This Handbook is meant to create a framework to aid the Administrator in both the day-to-day operations of the organization and the long-term strategic planning needed to ensure success.

## **EXISTING RESOURCES**

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The Water Fund has existed for several years, and thus there are many resources to direct the operations of the organization. Table 1 describes these documents and their content and context—the Administrator of the Water Fund is responsible for keeping these documents up-to-date and relevant. This Handbook references these resources for in-depth descriptions of strategy, specific tasks and workplans, and documentation of the Water Fund’s development.

Table 1. Existing Resources for Peaks to People Water Fund's Administrator

DOCUMENT NAME	PURPOSE	PRIMARY CONTENTS
Peaks to People Water Fund's Website	Public-facing resource around necessity of and strategy for the Water Fund	<ul style="list-style-type: none"> <li>▪ Mission, Vision, Approach</li> <li>▪ Importance of forest and fire management</li> <li>▪ How to Participate</li> </ul>
Business Plan	Analysis of the Water Fund's niche, including market analysis and financial needs	<ul style="list-style-type: none"> <li>▪ Purpose</li> <li>▪ Stakeholders, partners, and other entities in the region</li> <li>▪ Anticipated funding sources and likelihood of investment</li> </ul>
Business Plan Canvas	Readable summary of the Water Fund's business model (Attached)	<ul style="list-style-type: none"> <li>▪ Value Propositions</li> <li>▪ Customers</li> <li>▪ Key Resources and Activities</li> </ul>
Operations Manual	External-facing document for participants of the Water Fund.	<ul style="list-style-type: none"> <li>▪ Brief description of the Water Fund</li> <li>▪ Description for both investors and landowners</li> </ul>
Situation Model Memo	Describe the Water Fund's Situation Model and Results Chains; frameworks for understanding long-term strategy and key activities	<ul style="list-style-type: none"> <li>▪ Visual representation of conservation issues in our watershed and how the Water Fund's key strategies will impact overall system.</li> <li>▪ Boundary Partners (other relevant players in the watershed)</li> </ul>
Marketing Plan	Plan to increase public and investor awareness of the Water Fund.	<ul style="list-style-type: none"> <li>▪ Descriptions of and suggested marketing strategies</li> <li>▪ Quantitative and qualitative targets to implement marketing plan and reach goals</li> </ul>
Annual Workplan	Outline primary tasks for Administrator	<ul style="list-style-type: none"> <li>▪ Clear weekly, monthly tasks for administrator to ensure successful operation of the Water Fund.</li> </ul>
501(c)3 Charter & Bylaws	Explains the purpose of the Water Fund's existence and the rules and regulations that the organization must abide by.	<ul style="list-style-type: none"> <li>▪ Legal description of organization, including mission, vision, and approach</li> </ul>

## PRIMARY STRATEGIES

The Water Fund has identified two primary strategies in which to instigate improvement in the watersheds. These strategies, and the relevant partners and stakeholders in the watershed, are discussed

**For more information:** Situation Model Memo, Water Fund’s Website

below.

### STRATEGIES

#### Develop Novel Funding Sources

Identifying new sources of funding is currently the primary strategy of the Water Fund. There are potential novel or untapped funding sources that could invest in healthy forests in our region. In order to increase the amount of funding one or more of these sources is willing to provide, the Water Fund must make the case of how improved forest management can lead to avoided costs or comparable risk reduction.

Securing a stable funding source is critical for this intervention to succeed in improving forest health and resilience.

#### Improve Implementation Efficiency

Several of the contributing factors in the watershed revolve around inability to implement forest management projects efficiently. By decreasing the cost and increasing the speed in which these projects can be implemented, the Water Fund can ensure the available funding is yielding the maximum impact. This strategy likely be partnered with developing novel funding sources to meet the Water Fund’s goals and objectives.

#### Other Strategies

From the Water Fund’s Situation Model, it is clear that there are other potential strategies that the organization could undertake to meet their mission. Influencing fire management at a local or regional level stands out as an important task, though there are many others that could benefit the watersheds. It is up to the Administrator to determine the best interventions for the organization, and be willing to pivot if needed. See the Adaptive Management section for an annual framework on how to confirm strategies and key activities.

## ADMINISTRATOR’S ROLE

The Administrator is responsible for ensuring the organization continues to make progress towards its mission of ensuring water quality, water quantity, and healthy forests. There are weekly, monthly, and

**For more information:** Annual Workplan, Marketing Plan, Operations Manual

annual activities that are critical to the overall success of the organization.

### WEEKLY AND MONTHLY ACTIVITIES

Both the Annual Workplan and the Marketing Plan outline regular tasks that must be completed by the administrator. Please reference these materials for a thorough description of these activities. These tasks include, but are not limited to:

- **Board of Directors Engagement.** The Administrator (assuming that the Administrator is also the Executive Director), must have regular engagement with their Board of Directors. This includes regular (monthly or quarterly) meetings, as well as one-on-one check-ins via email, phone, or in-person.
- **Steering Committee Engagement.** As of May, 2018, the Water Fund's Steering Committee meets quarterly to discuss strategy and policy of the organization. The members of the Steering Committee represent relevant stakeholders in the region, and they provide important insight to the development of the Water Fund. The Administrator should keep the Steering Committee apprised of activities and seek their input as appropriate.
- **Beneficiary Engagement.** It will be critical for the Administrator to engage utilities, water-dependent businesses, and other potential investors. This task aligns closely with the strategy to develop novel funding sources as discussed above in *Primary Strategies*, and will be important to demonstrate the value proposition of the Water Fund. This task includes both development of relationships with potential funders, and regular communication with current grantors and funders.
- **Landowner/ Steward Outreach.** The extent to which the Administrator of the Water Fund will interact with stewards is still being determined. Likely, the Water Fund will rely on partners, such as watershed coalitions, NRCS, and others to develop relationships with landowners and design forest treatment projects. The Administrator should either interface directly with potential stewards or commit time to building relationships with third-party groups that will support landowners.
- **Social Media Monitoring.** The Water Fund has a Facebook page and a website. Both of these platforms need to be monitored regularly to demonstrate that the Water Fund is an active organization in the community, and to solicit potential donations from the public.

## ANNUAL ACTIVITIES

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There are certain tasks that the Water Fund's Administrator should undertake on an annual basis. These should be completed at the same time every year such that the Board of Directors, Steering Committee, and partners will know when to expect the reports, and so that the Water Fund's staff will be able to adjust and predict their workflow. Annual tasks are much more likely to be completed if scheduled regularly.

### Annual Reports

One of the primary value propositions of the Water Fund is transparency in outcomes. Thus, it is critical the Water Fund embodies this in their annual reporting. Certainly, grant funders will require a certain amount of reporting, but internal reporting is also critical to understand the success and impact of the organization. Thus, the Water Fund should publish an annual report for the public to demonstrate successes and lessons learned. Annual reporting also is the first step to adaptive management and learning, described below.

### Annual Adaptive Management

The Water Fund's day-to-day operations are managed by the Administrator. In order to improve the efficiency and effectiveness of the Water Fund over time, the Administrator should use a transparent and inclusive adaptive management process. The Board of Directors, Steering Committee, and Technical committee should be consulted as needed during the annual adaptive management process. The recommended adaptive management process follows the steps below and depicted in Figure 1.

1. **Update Manual & Tools.** The Administrator updates the Operations Manual, this Administrator's Handbook, as well as tools, forms, and guidance to ensure practical experience and new scientific information result in increased efficiency and effectiveness. These tools include the Watershed Investment Tool, the Co-Benefits Calculator, and any associated manuals.

2. **Prioritize Information Needs & Guide Monitoring.** With input from the Board of Directors, stewards, beneficiaries, and other stakeholders, the Administrator identifies and prioritizes research and monitoring needs, and coordinates funding efforts.
3. **Report Program Performance.** The Administrator develops the annual *Peaks to People Water Fund Performance Report* (See *Annual Reports* for more information) to summarize benefit unit awards and habitat improvements achieved. Routine reporting of accomplishments is essential to ensure transparency and drive accountability. The Outcome Tracker will be the primary vehicle for reporting.
4. **Synthesize Findings.** The Administrator synthesizes relevant research, monitoring and operational findings to inform stakeholders.
5. **Water Fund Program Improvements.** The Administrator synthesizes findings into information that is directly related to the operations of the program is essential to inform management decisions. Incorporating new information ensures the calculation of environmental benefits is accurate by incorporating the best available science to improve project selection, design decisions, and improve accountability.
6. **Identify & Adopt Improvement Recommendations.** The Administrator develops operational and technical improvement recommendations which are reviewed and adopted by the Board of Directors to ensure the program continues to motivate effective actions over time. Creating and transparently adopting clear recommendations to improve the program is the most critical step in the annual adaptive management process. The predictability and transparency of this adjustment process enables stewards, beneficiaries and other stakeholders to adjust practices and expectations without causing uncertainty.
7. **Engage Stakeholders.** Throughout the year, the Administrator engages the Board of Directors, stewards, beneficiaries, and other stakeholders to keep them informed of progress and solicit input for how to improve the program. Consistent stakeholder engagement is necessary to ensure the Water Fund operates efficiently, increases understanding, and facilitates accountability.

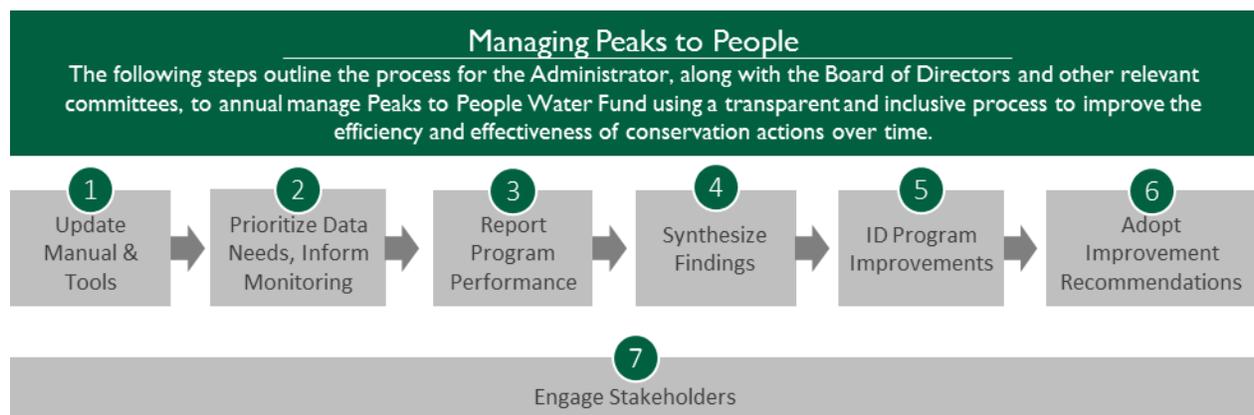


Figure 1. Process of Adaptive Management of Peaks to People Water Fund.

## FINANCIAL MANAGEMENT OF THE WATER FUND

As of May, 2018, the Administrator is responsible for the management of the Water Fund’s finances. This includes both the operational costs of administering the Water Fund, including all the tasks described above, and allocating the payments to Stewards and Technical Service Providers to implement in treatment projects.

If needed, the Administrator should hire an accountant or account manager to ensure proper management of the Water Fund’s grants, donations, and support from beneficiaries, as described below.

## **INVESTMENT FUND MANAGEMENT**

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The Water Fund requires a fiduciary to manage funds collected from Beneficiaries that will be used to implement forest health projects, manage projects over time, and provide incentives to Stewards when appropriate. An investment fund manager will be selected after incorporation of the Water Fund to manage all funds except funds intended for management of the Water Fund itself.

## APPENDIX A. POLICY & TECHNICAL CONSIDERATIONS

This Appendix discusses specific technical and policy considerations that may arise during operations of the Water Fund.

TOPIC	DESCRIPTION
Participant Confidentiality	Describes how the Water Fund manages and distributes project-specific data
Project Site Eligibility	Captures what criteria the Water Fund should consider while selecting projects
Management & Monitoring Plans	Defines the use and purpose of the Management & Monitoring Plans
Long-Term Management Fund	Describes the goals of developing a long-term management fund
Participation Incentives	Defines non-financial incentives for land stewards
Stacking of Payments & Environmental Benefits	Discusses the possibility of incentivizing the development of multiple ecosystem benefits on a project site
Project Site Protection	Describes the requirements for a project site enrolled in the Water Fund
Project Duration	Captures the expected length of a project site
Project Performance Variability	Discusses the expectations around natural fluctuations of monitoring results
Financial Assurances	Discusses the fiscal mechanisms used to ensure the successful management of project sites
Reversals	Defines reversals and the allowable actions if a reversal occurs

### PARTICIPANT CONFIDENTIALITY

Successful implementation of the Water Fund relies on transparent tracking and reporting of ecological benefits produced by projects funded through the Water Fund. To protect confidentiality, participants will be informed of all information that will be reported publicly and to specific stakeholders before participation. Information that will not be published, without prior written consent by the landowner, includes total amount of funding provided. Disclosure requirements will be described in the Stewardship Contract, and participants may request that any information be kept confidential prior to enrolling in the program. The Administrator will take requests for confidentiality into consideration when selecting projects to fund through the Water Fund.

### PROJECT SITE ELIGIBILITY

The current focus of the Water Fund is to improve forest health to improve source water quality and reduce the likelihood of impacts from a large-scale wildfire. Projects funded through the Water Fund must demonstrate likelihood of achieving meaningful reduction in sediment as assessed by the Watershed Investment Tool and/or Co-Benefits Calculator to be eligible.

### MANAGEMENT & MONITORING PLANS

Stewards develop site-specific Long-term Management Plans once the Watershed Investment Tool has estimated the expected quantity of environmental benefits from a project based on a full area assessment. Project boundaries, planned management actions (including ongoing maintenance and monitoring), proposed project duration, anticipated payment schedule, and expected post-project conditions for the

site are all documented in the project's Management & Monitoring Plan. The Management & Monitoring Plans also provide an overall project summary and site characteristics, describe land ownership and control of the property, including management and monitoring expectations.

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## **LONG-TERM MANAGEMENT FUND**

A principal benefit of investment in the Water Fund is the assurance that investments in green infrastructure will be maintained over time. To this end, the Water Fund will establish and maintain a Long-Term Management Fund that can be accessed by active Stewards engaged in the Water Fund to implement ongoing management and maintenance of project sites.

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## **PARTICIPATION INCENTIVES**

In addition to access to the Long-Term Management Fund, Stewards will be eligible to mark the location of their projects with signage indicating their participation in the Water Fund, receive annual reports from the Administrator, and access a network of other participants and technical support providers for additional support.

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## **STACKING OF PAYMENTS & ENVIRONMENTAL BENEFITS**

Although the Water Fund currently only supports the generation and sale of one type of environmental benefit (e.g., sediment reduction), the Water Fund will eventually allow multiple types of environmental benefit to be generated from spatially overlapping areas. However, the amount of each type of benefit generated must be based on additional ecosystem and habitat function maintained compared to the function maintained for other benefit types.

The Fund recognizes that landowners often turn to multiple funding sources to secure support for habitat projects. If a site under the Water Fund is currently or has previously received funding under a different ecosystem service program or market (e.g., carbon, species conservation, NRCS EQIP, CSFS), the Administrator will use best judgement when evaluating project funding requests. Use of other funding must be transparent to avoid additionality issues with permitting and reporting.

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## **PROJECT SITE PROTECTION**

Projects funded by the Water Fund must sign a Stewardship Contract which will be in effect through the project duration. Projects must complete the treatment plan as approved by the Administrator and complete baseline and post-treatment monitoring as specified in the Management & Monitoring Plan. Failure to complete the treatment or monitoring will require repayment of any funds provided.

After treatment and post-project monitoring are completed, Stewards are encouraged to continue participation in the Water Fund, which includes periodic monitoring and maintenance of the site as needed, throughout the duration of the Stewardship Contract. The Steward may cancel the Stewardship Contract at any time after treatment and post-project monitoring are completed, however the Steward will not be allowed to access benefits associated with participation in the Water Fund, including access to the Stewardship Fund for periodic project maintenance.

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## **PROJECT DURATION**

Project duration is defined in the Stewardship Contract and coincides with the expected life of the treatment. Project duration may vary from site to site but is expected to be between 5 and 20 years. Longer or shorter-term contracts may be considered by the Administrator on a case-by-case basis with consideration of the ecological benefits of the project. After the project duration expires, the project proponent may re-apply to the Water Fund.

## PROJECT PERFORMANCE VARIABILITY

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The efficacy of treatments will vary by project due to site-specific factors such as accessibility, slope, allowable equipment, etc. Additionally, the uncertainty inherent in any monitoring methodology must be considered. Therefore, the Water Fund will permit some variability in project monitoring results. A standard variability tolerance will be established by the Water Fund.

If verification shows that a treatment site is outside the verification tolerance and is therefore not meeting the performance standards, the Steward must work with the Administrator to determine a remedial action plan. Treatments outside of the verification tolerance may be subject to the Water Fund’s processes related to reversals.

## FINANCIAL ASSURANCES

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Financial assurances are fiscal mechanisms that are used to ensure the successful management of projects throughout the duration of a project. Financial assurances are defined in each Stewardship Contract with Stewards and consist of 1) contract terms (such as financial penalties for intentional reversals and specific payment terms) or 2) financial instruments (such as long-term stewardship funds and contract surety bonds that ensure funds are available for the long-term management of each project).

Both contract terms and financial instruments ensure that funds are available to promptly replace environmental benefits that have become invalidated due to intentional or unintentional reversals. Overarching principles and basic minimum requirements guide the development of financial assurances for each Steward, such as minimizing financial transaction costs and maximizing payments to Stewards. Risk is appropriately allocated to be shared by the Water Fund, as well as Stewards. Additionally, it is preferable to use mechanisms that do not require the Water Fund to engage in costly litigation with Stewards to secure funds for benefit unit replacement.

Financial instruments should be designed to cover long-term management of project sites and replacement of reversals considering management and maintenance activities defined in Management Plan, administrative fees related to the enrolled project, appropriate fund management and rate of return, and relevant inflation rates.

### Financial Assurance Design & Minimum Requirements

The Water Fund may require that Stewards establish appropriate financial assurances for a project in order to receive funding, if appropriate. Financial instruments must be held either by the Water Fund or a qualified third-party institution that is approved by the Administrator of the Water Fund.

### Financial Assurance Requirements

If required, the Water Fund and Steward will define a financial assurance package that is acceptable to the Steward and ensures funds are available to repay the Water Fund in the case of an intentional reversal (see *Reversals*, below) and create a strong incentive for stewards to implement and maintain projects as agreed upon in the project documentation. In some cases, especially for permanent projects, a dedicated fund to cover the long-term stewardship costs of the project may be established at project implementation.

The specific financial assurances package can be a combination of the various mechanisms described above (i.e., long-term stewardship funds, bonds, contract penalties, contract payment terms, etc.) that ensure sufficient funds are available to meet the above needs. Due to the cost of establishing and maintain financial assurances, financial assurances should only be used on projects that receive substantial upfront capital from the Water Fund or that have an elevated risk of reversal as determined by the Administrator.

### Long-Term Management Funds

The type of financial instrument used is determined by the duration of the project. Permanent projects may require a long-term stewardship fund where the principal amount is managed in perpetuity. Long-term stewardship funds are similar to the non-wasting endowment funds used in conservation banking. Permanent projects should meet the same standards for financial assurances that are used in conservation banking. Term projects may require a long-term stewardship fund that is typically managed such that no funds remain at the end of the contract.

All long-term management funds should be interest bearing. The Administrator determines the required principal amount for each project site using a predictive financial model that accounts for economic and financial conditions such as inflation and interest rates. If a long-term stewardship fund is used, the expected financial return from appropriately investing the funds can be factored into the initial deposit amount.

### Contract Terms

Contract terms in the Stewardship Contract are probably the least cost option to ensure ongoing performance from projects. One type of contract term that can be defined is terms of payment. The terms of payment can create a strong ongoing incentive for the Steward to achieve performance and reduce the need for financial instruments. One such payment term structure involves paying the Steward an annual payment that is at least as much as the anticipated maintenance and other ongoing costs and possibly includes sufficient funds for profit. Payments may be structured to provide an additional amount on years when monitoring and verification is performed and the project site is shown to perform at or above expected performance. Payments can also be structured such that the project’s dedicated long-term stewardship fund is sufficient to make payments for the full duration of the project. In this case, the Stewardship Contract defines that if performance standards are not met, the remaining stewardship funds can be used by the Administrator to either remediate the project site or to replace the project at a different site. These payment terms align the incentives of the Stewards and the Water Fund by sharing the financial risk for ongoing performance.

In situations where the Water Fund either does not make ongoing payments or the contract is structured to make a large upfront payment to the Steward, other financial instruments, (such as performance bonds,) may be used to ensure sufficient funds are available to the Administrator throughout the duration of the project should a reversal occur.

Another type of contract term that can be defined and required by the Water Fund is contract penalties. In the case of intentional reversals, the Steward pays contract penalties to the Water Fund to ensure sufficient funding to replace the project at a different site.

## **REVERSALS**

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A reversal occurs when a project funded through the Water Fund does not meet the performance standards outlined in its Stewardship Agreement. Reversals are important to track and carefully manage so that Beneficiaries and other stakeholders can have confidence that benefits reported by the Water Fund accurately reflect actual benefits generated in the watershed. Reversals may be either unintentional (e.g., wildfire) or intentional (e.g., failure to implement remedial action as required by the Water Fund). Depending on the specific cause and circumstances of the reversal, the responsibilities of the Water Fund and the Steward may vary.

### **Unintentional Reversals/ Force Majeure**

The goal of the Water Fund is to reduce the probability of high-severity wildfire that will lead to sedimentation of water infrastructure in each watershed. However, it is not possible to completely remove the risk of wildfire and other force majeure that may impact the benefits generated by the Water

Fund. In the event of a wildfire or other force majeure event that impacts projects funded by the Water Fund, the Administrator will report, in the Annual Performance Report, the amount of acreage and estimated benefits lost due to the force majeure event. In cases where the project site can be fully or partially recovered within a reasonable amount of time and cost, the Steward has the option to develop a remedial action plan that is approved by the Administrator. In this situation, contract payment terms or financial instruments are used to pay for activities included in the remedial action plan. If only a portion of the project can be recovered following the force majeure event, then payments are reduced according to the amount of benefits actually being generated on the ground, if applicable. The Administrator may use the remaining amount in the project site’s financial assurances to fund projects elsewhere. In cases where the project site cannot be recovered within a reasonable amount of time and cost, the Administrator or the Steward has the option to cancel or amend the contract without penalties and the ability to re-enroll the site as a different project at a later time. If the contract is canceled, payments to the Steward cease immediately, if applicable, and the Administrator uses the remaining amount in the project site’s financial assurances to fund projects elsewhere.

### **Intentional Reversals**

In the case of an intentional reversal (such as not implementing management activities to achieve benefits as defined in the Management Plan), all payments to the Steward immediately cease, if applicable. The Steward and Administrator determine if a remedial action plan can be developed. The Steward is responsible to the Administrator for the entire cost of replacing benefits lost from the project at a different project site, any associated legal fees, and an additional administrative fee (i.e., contract penalty). Further, the Administrator may access the project’s financial assurances if the Steward fails to fulfill his or her responsibilities.

# ATTACHMENT 1: PEAKS TO PEOPLE WATER FUND BUSINESS CANVAS



## Business Canvas

<p><b>Key Partners</b> </p> <ul style="list-style-type: none"> <li>• Collaborative Science &amp; Watershed Planning Groups</li> <li>• USFS</li> <li>• TNC</li> <li>• Landowners</li> <li>• Northern Colorado Community Foundation</li> <li>• Colorado Forest Restoration Institute</li> </ul>	<p><b>Key Activities</b> </p> <ul style="list-style-type: none"> <li>• Public outreach &amp; education</li> <li>• Landowner outreach</li> <li>• Fundraise, pool funds &amp; leverage funding sources</li> <li>• Fund projects &amp; measure outcomes</li> <li>• Set goals &amp; priorities</li> </ul>	<p><b>Value Propositions</b> </p> <ul style="list-style-type: none"> <li>• Provide evidence of benefits of healthy forests</li> <li>• Reduce risk to water users &amp; other beneficiaries</li> <li>• Measure &amp; report outcomes</li> <li>• Steer funding towards most optimal projects</li> <li>• Connect funders to landowners with shovel-ready projects</li> <li>• Scalable capacity for implementing forest thinning and Rx fire</li> </ul>	<p><b>Customer Relationships</b> </p> <ul style="list-style-type: none"> <li>• Trusted resource</li> <li>• Performance-based deliverer of ecosystem services</li> <li>• Collaborative planning partner</li> <li>• 3<sup>rd</sup> party verifier</li> <li>• Fiduciary</li> </ul>	<p><b>Customer Segments</b> </p> <ul style="list-style-type: none"> <li>• Public (environmentally conscious advocates)</li> <li>• Water Utilities</li> <li>• Water-Conscious Businesses</li> <li>• Implementing &amp; Consulting Agencies (NRCS, CSFS, Larimer County)</li> <li>• Watershed Coalitions</li> <li>• Foundations &amp; other grant-making orgs</li> </ul>
<p><b>Cost Structure</b> </p> <ul style="list-style-type: none"> <li>• Administration</li> <li>• Project implementation, monitoring, and management</li> <li>• Fundraising &amp; Marketing</li> <li>• Outreach &amp; Education</li> </ul>		<p><b>Revenue Streams</b> </p> <ul style="list-style-type: none"> <li>• Grants</li> <li>• Donations</li> <li>• <i>More to be determined...</i></li> </ul>		

## Progress Markers

*How will we know we are having an impact over the next 5 years?*

### We expect to see:

- Peaks to People has developed watershed goals and identified priority areas for work
- Partners are coordinating activities related to forest thinning, prescribed fire, and wildfire response planning
- Project implementation is being scaled up (more acres treated each year)
- Projects are being monitored and evaluated
- Funding continues to flow from water beneficiaries and philanthropies

### We would like to see:

- Partners support Peaks to People's goals and are focusing effort on priority areas
- Peaks to People is participating in coordination efforts
- Standardized protocols are being used to monitor and evaluate projects
- Partners are learning how to maximize outcomes from projects
- Partners and the public view Peaks to People as credible
- Funds are flowing through Peaks to People for project implementation
- Sufficient capacity is available to further increase scale of work
- Recurring funding streams are developed
- Landowners understand the importance of forest thinning and prescribed fire

### We would love to see:

- Partners are using the Watershed Optimization Tool to plan treatments
- Water beneficiaries are funding work at scale
- The public vocally supports funding watershed work
- Fire planners use treatment data supplied by Peaks to People to plan fire response
- More acres are allowed to burn with fewer negative impacts on human communities
- Scale of work creates a market for forest products, offsetting costs
- Scale of work yields innovations in treatment techniques, reducing costs
- Forest conditions are healthy
- Landowners contribute towards treatment on their lands