ALTERNATIVE TRANSFER METHODS IN THE SOUTH PLATTE BASIN: STORIES FROM THE FIELD
Drivers of Permanent Dry-Up

- Increased competition for limited supplies – basins are over allocated
- Urban population growth
- Ag water rights are senior & reliable
- Transfers are cost effective
- Changing agriculture economy
- Compact administration
- Changes in Climate
- Augmentation needs
ATM = Agricultural Water Supply Method + Water Transfer Method

- Full-Season Fallow
- Rotational Fallow
- Split-Season Fallow
- Regulated Deficit Irrigation
- Crop Switching
- Water Bank
- Buy & Supply
- IWSA / Option Contract
- Purchase / Lease
- Water use sharing

EFFICIENCY IMPROVEMENTS DO NOT GENERATE TRANSFERABLE WATER IN CO!!!! (Most of the time!)
Emergence of Alternative Transfer Methods

- 2002 Drought drives the development of Colorado’s first ATMs in the Arkansas and South Platte Basins
- Statewide water planning efforts beginning in 2004 recognize the impacts of traditional water transfers and call for support for “alternative agricultural transfer methods”
- Super Ditch incorporated in 2008
- SWSI 2010 refines the M&I gap and projects that by 2050, the Colorado may lose 500,000 to 700,000 acres of currently irrigated farmland to urbanization and buy-and-dry with adverse economic and environmental impacts
- In 2013, EO directing CWCB to develop Colorado Water Plan recognizes current rate of buy and dry is “unacceptable”
- Catlin Canal Pilot Project begins operation in 2015
Sets an objective that agricultural economic productivity will keep pace with the growing state, national and global needs, even if some acres go out of production. The state will work closely with the agricultural community, in the same collaborative manner that has produced agricultural transfer pilot projects. To share at least 50,000 acre-feet of agricultural water using voluntary alternative transfer method by 2030.
Sets a goal to facilitate ATMs that “compete with, if not out-perform, traditional “buy-and-dry” transactions

Implementation through the ATM Grant Program, which supports lifecycle costs of ATM development

ATMs and water marketing will continue to be focus during the ongoing CWP update process
2019: Year of the Alternative Transfer Method?

- Rules regarding Agricultural Water Protection Water Right finalized
- First administrative Interruptible Water Supply Agreement (“IWSA”) under CRS 37-92-309 approved involving the Super Ditch and the City of Fountain
- City of Aspen secures ATM grant to assess water sharing opportunities with potential for first ag-to-muni ATM on the Western Slope
Larimer County-Broomfield ATM Project

• Conserve a viable farm in perpetuity
• Seek financial partnerships
• Potentially create a new tool, catalyst
Major Terms of ATM Agreement

Financial Viability
• Sale:
  115 units @ $26,000/unit
• ATM:
  80 units shared 3/10 years
    + 40% up front payment
    + $225/unit when exercised
• Annual assessments

Farming Viability
• Notice by January 31
• Late Notice by June 1, with reimbursement
• No partial exercise
• No leasing units
• Dry-year payment
• Lease-back option on 115 units

Farm’s New Water Portfolio
125 C-BT units (80 ATM + 45 unencumbered)
16 Handy + buy/lease 6 additional Handy
Riverview Farms ATM

- ATM project involving Colorado Open Lands, Ducks Unlimited, NRCS, CWCB, USFWS

- 390-acre farm west of Orchard, CO; water rights consist of 505 AF of recharge credits

- Water right model developed indicating 450 AF of recharge may be available for lease based on historic operations and using a variety of irrigation management strategies (e.g. rotational fallow w/ cover)

- In the process of identifying potential end uses to lease recharge credits
Sylvan Dale Ranch ATM Project

- ATM project involving the Heart J Center for Experiential Learning

- Implement an ATM to maintain agricultural operation, benefit environmental flows, meet M&I demand utilizing 259 C-BT Units

- Conduct water budget/baseline, implement water efficiency measures (e.g. subsurface/mobile drip irrigation) to determine CU reduction, and lease savings to M&I
New Cache Water Marketing Strategy

• Explore a ditch-wide water marketing strategy to provide temp leases to new non-ag uses with CWCB/BOR support

• Goals of project to diversify income streams for shareholders, maintain agricultural production/rural development, protection from buy-and-dry

• Project team has developed a baseline supply and demand assessments

• Working currently w/ City of Greeley to structure a potential deal
ATM Program Planning & Development

- CWCB in process of updating ATM program framework
- Conducting interviews and status assessment of progress made on CWP ATM Goals and early barriers
- Engaging roundtables
- New metrics and actions for CWP update, ATM guidelines, new tools and resources to support projects