



Connecting the Drops

Transcript: Alternative Transfer Methods – A Solution to Colorado’s Water crisis?

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With Colorado’s population expected to almost double to 10 million by 2050, water planners along the Front Range, where most of the growth is expected to occur, are scrambling to find enough water to quench the thirst of this growing population.

With upwards of 80% of water in the state going to agriculture, many people have their eye on farms as a possible solution to the looming water shortage. In the past municipalities have bought water rights outright from farmers, permanently drying up land. But the state’s water plan identifies some alternatives to buy and dry and is encouraging farmers and municipalities to look for creative solutions to share this precious resource. These are typically temporary leases, but as part of our ongoing series Connecting the Drops, Maeve Conran reports on a recent landmark deal that sees one of these alternative transfer methods happen in perpetuity.

The highway that borders the Little Thompson farm near Berthoud in Northern Colorado provides the soundtrack of the massive urban development that is gobbling up farm land in this part of the state. This family farm of just over 200 acres nearly succumbed to the same fate of many others in this region...with fields of corn and sugar beets turning into housing developments. The \$ 8.4 million price tag was too steep for the farmer who had leased the land from the family for 30 years, in fact it was too steep for any farmer to make an offer. So that’s when Larimer County stepped in. Alex Castino, a land agent with Larimer County’s Engineering and Natural Resources division, says the county has been conserving agricultural land but most of their purchases were dryland farms or ranches. *“When we looked into why that might be we realized the price of the water might be the reason.”*

The county wanted to keep this as a working farm, but to do that they needed to purchase the water rights. That was too much for the county’s budget. So they looked into an Alternative Transfer Method, an agreement where they could lease the water to a municipality rather than selling it outright. That offset almost half off the purchase price. Castino says this ultimately allowed them to buy the land and keep it as a working farm. *“We thought it was a marketable solution for what we were trying to do in preserving a working farm and meeting the state’s anticipated water supply gap and we know that if we don’t do anything different from what we have been doing which results in buy and dry of farmland.”*

Larimer County entered into an ATM agreement with the city of Broomfield. The Colorado Water Plan identified a goal of transferring 50,000 acre feet of ag water to municipalities by 2030 through Alternative Transfer Methods. ATMs exist in other parts of the state and are usually temporary arrangements, but the Larimer County and Broomfield deal is the first of its kind, as it is permanent. Erin Messner, the Water Resources Administrator for the City and County of Broomfield who was one of the negotiators, says that while water managers are looking for permanent solutions, this aspect of the deal

was actually a concern to Broomfield City Council. "At first it was one of the things that almost deterred us. City councils and city management get really nervous when the term perpetuity is in any agreement."

City council ultimately approved of the agreement that allows Broomfield to call on water from the farm in dry years. *"In this format in the ATM, we don't own the water rights but we know that in that perpetual contract we will always have the ability to call on them."*

The water shares being leased by Broomfield allow the municipality to use them during three dry years out of every 10. The rest of the time, the water stays on the farm, but in those dry years, when it heads south, Broomfield will reimburse the farmer the cost of the lease that he pays Larimer County. Currently corn, alfalfa and sugar beets are grown here.

Alex Castino, land agent for Larimer County, says a team of experts looked at the ATM to make sure that the Little Thompson farm remains a viable agricultural entity.

The county hired a team of experts - a water attorney, a water engineer, a project manager and economist and an agronomist - to figure out what kind of cropping patterns would work best with the water supply.

"So some of that may involve some crop changing, some of it may involve some more creative irrigation practices, but the number one priority of this project for Larimer County was to ensure a viable farm in perpetuity."

The Colorado Water Conservation Board gave a grant to Larimer County to research the viability of the ATM. The Colorado Water plan identified ATMs as one solution to the state's growing water crisis, potentially balancing the needs of urban growth with a desire to preserve the state's agricultural economy. However ATMs are not a perfect solution for municipalities who are looking for permanent water sources. Neither are ATMs popular amongst farmers says Greg Peterson the Executive Director of the Colorado Agricultural Water Alliance. He says many in the agricultural community see the Colorado Water Plan's emphasis on Alternative Transfer Methods as choosing urban growth over agriculture.

"An ATM can be interpreted as saying that your way of life isn't as important as this way of life and we need your water."

Peterson says he has spoken with farmers and ranchers around the state about ATMs, including several who are involved in programs in the Lower Arkansas Valley and in North Eastern Colorado where some farmers lease water to energy companies. He says there is a lot of satisfaction with people who are leasing water, but outside of that it's a very unpopular idea. There is a wariness about what the future could bring for farmers involved in these type of arrangements.

"I think what you have to understand is that if you're a single farmer, or farmers along a ditch, you don't have the resources that they municipalities do if there is some kind of issue in the future and you're entering into an arranged marriage that could go poorly for you and I think that's something people are concerned about."

But with no new water coming into Colorado's rivers, existing water rights holders are looking at a future of somehow sharing this valuable resource. Erin Messner with Broomfield says this model could be something that other communities could replicate and even improve on. *"I'm really excited to see what comes after this and I'm sure it could be even better."*

For some farmers whose water rights are worth more than their land, who are looking to retire, the outright sale of their water will remain an attractive option. But Alex Castino with Larimer County hopes that counties, farmers and municipalities can work together to find creative solutions like this one to help keep farming alive while dealing with the inevitability of urban growth.

"If we don't do anything different from what we have been doing which results in buy and dry of farmland then "about 50% of farms in the South Platte basin will be dried for water supply for municipal and industrial uses by 2050, so for our county that would just be economically and lifestyle devastation...I mean if we can do something to help...we will."