

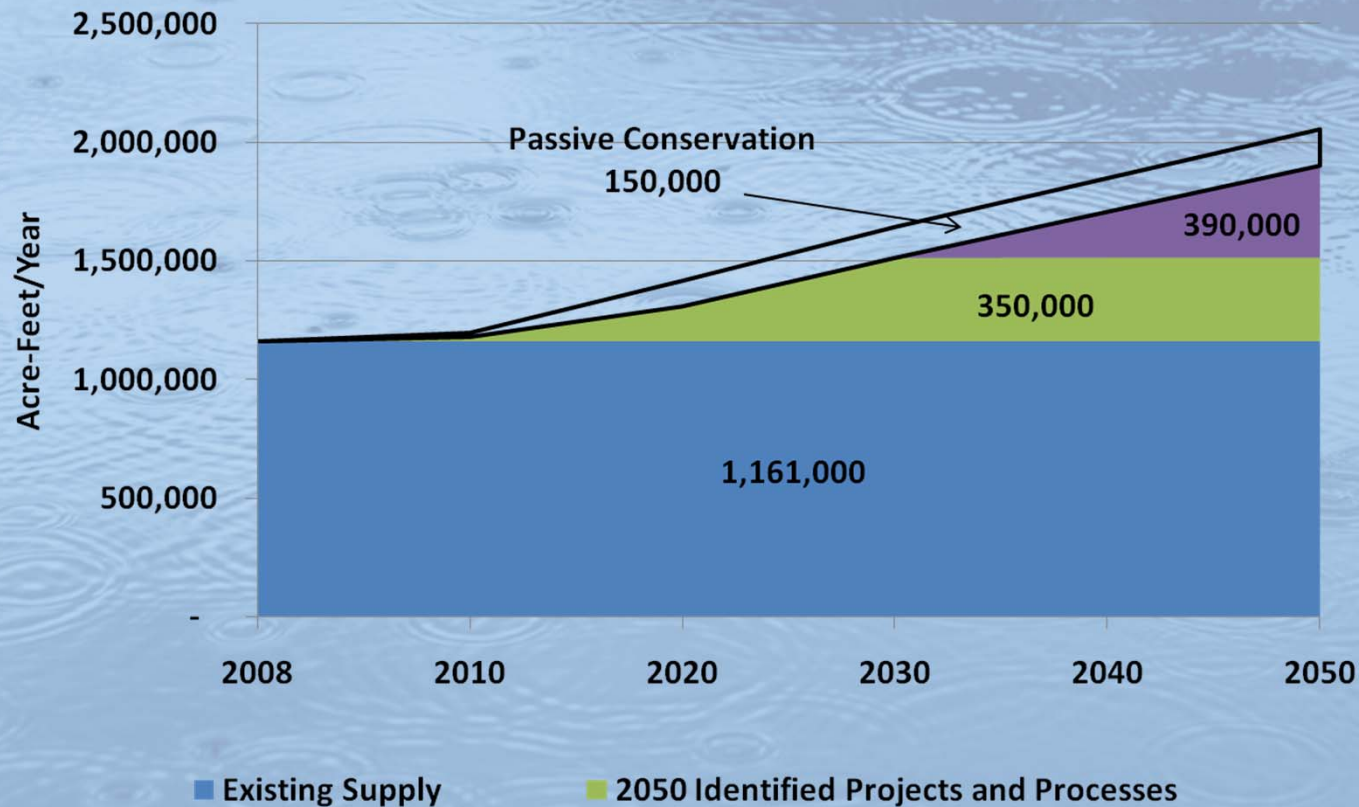
Colorado's Alternative Agricultural Water Transfer Methods Grant Program



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Statewide M&I and SSI Gap Summary Medium Scenario (IPPs at 70 Percent Success Rate)



New Water Needs Continue to Grow

- Colorado faces significant and immediate water supply challenges
- Population is expected to nearly double within the next 40 years
- Continuation of current trends will lead to a larger transfer of water out of agriculture



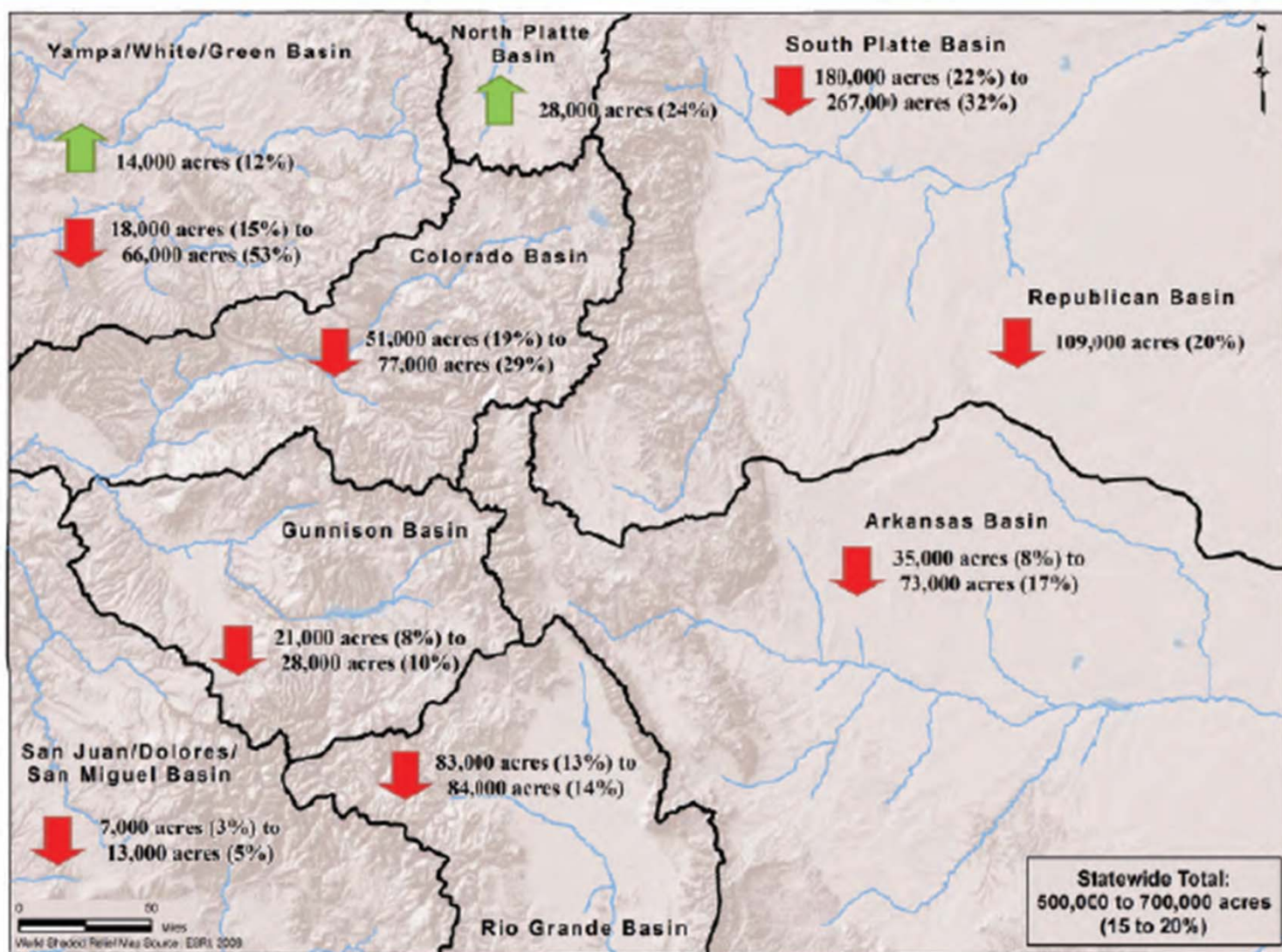


Figure 4-6 Potential Changes in Irrigated Acres by 2050



Colorado's Agricultural Water Transfer Methods (ATM) Grant Program

ATM Program Purpose:

To assist in developing and implementing creative alternatives to the traditional purchase and transfer of agricultural water.

Alternative Transfer Methods Examples:

- Interruptible supply agreements
- Long-term rotational fallowing
- Water banks
- Deficit/partial irrigation practices
- Alternate cropping types

2008 ATM Projects

- **Parker & CSU**--Studying alternatives to continuous irrigated corn crops. This project involved demonstration farms where deficit/partial irrigation and varying cropping patterns were studied. Study results show potential reductions of 30 to 40 percent in CU.
- **Farmers Reservoir and Irrigation Co.**--investigating a water bank concept where both farmers and M&I users could deposit water in FRICO's existing infrastructure and the water can be made available to other users on a negotiated price basis.

2008 ATM Projects continued...

- **Colorado Corn Growers**--developed the concept of a “Flex CU” market where the irrigator sells a small percentage of shares (e.g., 10 percent, known as Base CU) to the M&I user. The remaining volume, referred to as Flex CU, could be made available to the M&I user through variable leases.
- **Super Ditch Company**—engineering study where up to nine ditch companies collectively lease CU made available primarily through rotational fallowing.

Barriers to Implementation

- Potentially high transaction costs
- Water rights administration issues
- Water Providers need permanence and certainty of long-term supply
- Infrastructure and water quality

Recent ATM Grants (2011)

- **The Nature Conservancy**—project will identify locations within the Yampa River basin where alternative water transfers can benefit both environmental and agricultural water uses.
- **Colorado River District**—project aimed at developing a Compact Water Bank utilizing pre-compact agricultural water rights.

Recent ATM Grants (continued)

- **East Cherry Creek Valley District**—study will examine means to continue agricultural productivity on lands purchased by cities for their water rights.
- **Lower South Platte Water District**—study is examining excess augmentation credits in the South Platte River and identifying means to use those credits and optimize the use of water in the basin.



Questions or Further Detail

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