

# MURKY WATERS: Evolving Developments Concerning Alternative Transfer Methods Benefiting Agriculture and the Environment



COLORADO WATER TRUST



**COLORADO**  
Colorado Water  
Conservation Board  
Department of Natural Resources

# KEY QUESTIONS FOR TODAY:

- What is an Alternative Transfer Method (ATM)?
- How are ATMs being utilized to address environmental flow needs in Colorado?
- What makes an environmental water transaction (EWT) a ATM? Why is this designation important?
- What resources are available through the Colorado Water Trust and Colorado Water Conservation Board to support ATMs?

$$\text{ATM} = \text{Agricultural Water Supply Method} + \text{Water Transfer Method}$$

- 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!)**

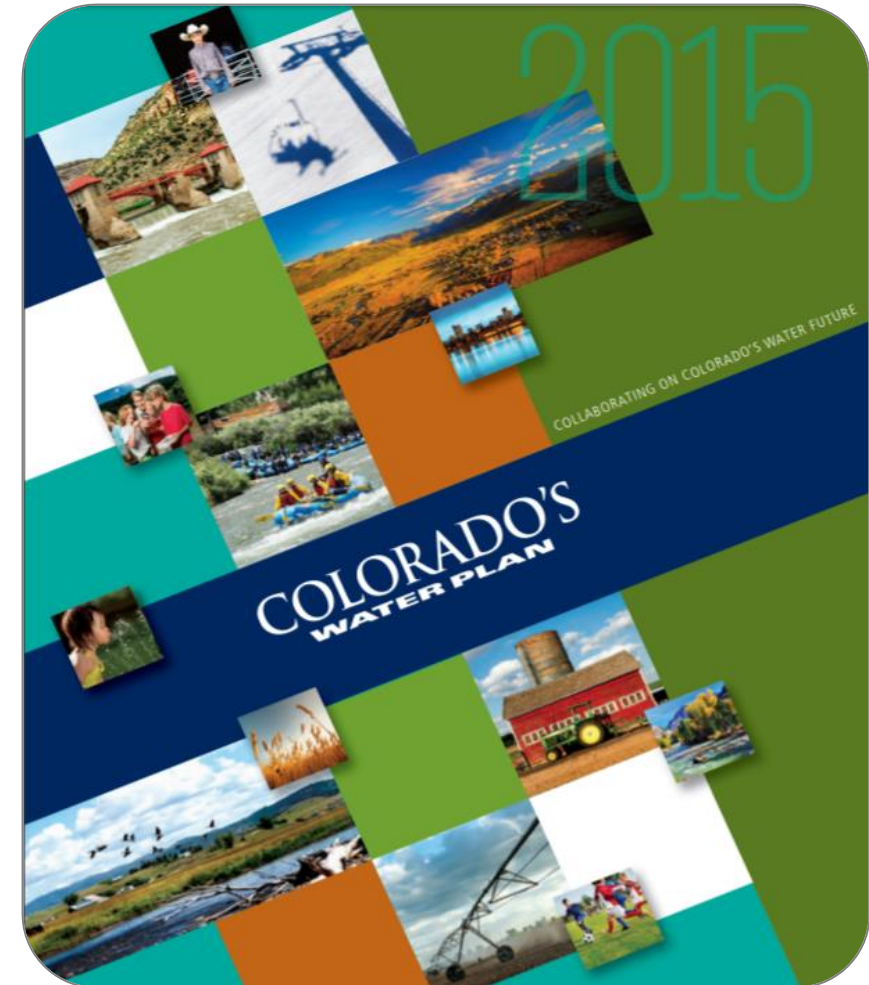
# THE COLORADO **WATER PLAN**

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.**



# Alternative Transfer Methods Can Benefit the Environment

- Chapter 6.4 of the Colorado Water Plan states that ATMs can be used to “support the environment, recreation...”
- SB15-198 expanded the following-leasing pilot program to include environmental and recreational uses
- HB16-1228 created Agricultural Water Protection Water Right which will allow temporary leases to “the decreed upstream location of a reach of the natural stream where the Lease Water will be put to beneficial use.”



# Project Example 1 – Temporary Instream Flow Loan

## *Coats Brothers Ditch*

- Senior water rights on Tomichi Creek
- Temporary, split-season lease (under C.R.S. 37-83-105) that allows for irrigation use and instream flow use (3-in-10 years)
  - July 1 or August 1 switch
- Maintain irrigation use for ~165 acres of hay meadow and pasture
- Compensation for instream flow use



# Project Example 2 - Ag to Muni w/ Environmental Benefit

## *City of Aspen ATM Project*

- Traditional Ag/Muni deal with environmental component
- Protect water instream if possible
  - deal structure, optimize water delivery timing, etc

## Project Example 3 – Other Mechanisms

- McKinley Ditch – Permanent acquisition of water (under C.R.S. 37-92-102(3)) and change of use (water court) to allow for irrigation and ISF use
  - Operations driven by forecast tool – irrigation continues on average 9 of 10 years (either full season, July 1 shutoff, or Aug 1 shutoff).
  - In driest 10% of years, water remains instream all season
- AG Water Protection Water Right (D1 and D2)
- Interruptible Water Supply Agreement
- Lease Following Pilot Projects



# What makes an EWT an ATM?

- Transaction involves a absolute decreed irrigation water right or a reservoir storage right or recharge “credits” owned by an entity primarily serving agricultural producers
- Voluntary, temporary reduction in historic consumptive use, but ATM agreement can be perpetual in nature
- Irrigation water right ownership “remains in agriculture” during and after the ATM transaction
- The “intent “ of the transaction is in part to benefit the agricultural lessor and/or the broader agriculture community while meeting other water uses

# Benefits of ATMs

- Income diversification for ag producers
- Agronomic benefits and operational flexibility
- Preserve working farms and ranches
- Protection against abandonment/diminishment of HCU
- Drought adaptation and risk management

# Benefit of ATM Designation

- Improve tracking of ATM development
- Promotes multi-benefit projects and collaboration
- Build relationships with agricultural community
- Availability of public and private resources



# ATM Resources

- Water Trust/CWCB Request for Water Process
- Confidential water rights reviews to determine capacity for ATM style transactions
- Fundraising capacity
- CWCB ATM Grant Program
- Stream Management Plans and Integrated Watershed Planning
- Reclamation Water Marketing Strategy Grants

# Q&A

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