



ADVANCING THE LEGACY

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Ag Water NetWORK

WEBINAR #1 Highlights – Successful Ag Water Leases in Colorado

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Fort Morgan Reservoir and Irrigation Company water lease to Xcel Energy

(Presenter: Chris Kraft; Ft. Morgan Dairy Farmer and irrigation company shareholder)

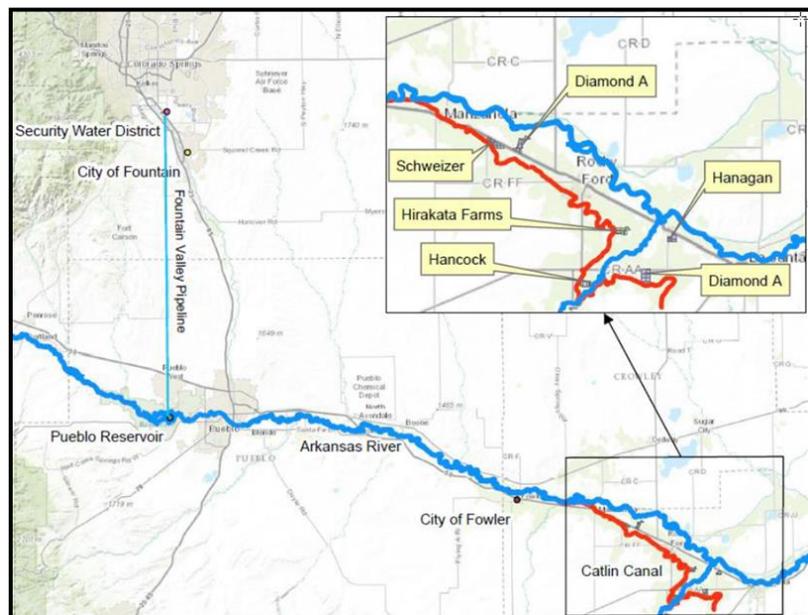
- The irrigation company delivers **2,500 acre-feet** of consumptive use water to Xcel Energy annually to help cool the Pawnee coal-fired generating station.
- The water lease is in its 23rd year of a 40-year agreement with Xcel.
- The 2,500 acre-feet of water delivered to Xcel is **consumptive use (CU) water** that was re-decreed in water court so that it could be used for both agricultural or industrial use.
- The irrigation company's ditch runs beside the power plant so water can be diverted directly from the ditch to Xcel.
- Water can also be delivered to Xcel's wells in the South Platte alluvium.
- Farmers participating in the lease program have needed to fallow part of their land to provide the water to Xcel two (2) times in the last 23 years
- When fallowing is necessary, farmer's typically fallow their least productive land.
- Most of the shareholders on the ditch participate in the lease program.
- The irrigation company has a senior direct flow right from the South Platte River as well as **storage rights in Jackson Lake**, both of which help guarantee water can be delivered.
- Xcel pays the irrigation company an annual fee which is paid out to participating farmers and used to cover administrative costs.
- The annual fee paid by Xcel goes up annually based on the average inflation rate.
- The lease program has helped to stabilize participating farmer's income and has worked well for both the farmers and Xcel Energy.



LAVWCD Catlin Canal Fallow - Lease to Fountain, Fowler & Security Water Districts

(Presenter: Jack Goble, P.E., Lower Arkansas Valley Water Conservancy District)

- The 10-year lease-fallow program began in 2015 and operates under Colorado Water Conservation Board and Division of Water Resources supervision.
- A change-of-use decree for the water was not required since the program is a temporary pilot program allowed under HB 13-1248.
- Water is exchanged upstream to Pueblo Reservoir and then pumped to Fountain and the Security Water District via the Fountain Valley Conduit. For the Town of Fowler, water is delivered to the Arkansas River alluvium where Fowler uses it to augment its well pumping.
- Six farms on the Catlin Canal that total 902 acres are participating in the program.
- Up to 30% of this land is fallowed at each farm to create consumptive use (CU) water for leasing. Fields are allowed to be fallowed for up to three years before rotating.
- Two augmentation recharge ponds and an augmentation station on Timpas Creek are used to replace lost return flows to the river.
- Farmers are allowed to plant a dryland cover crop on fallowed land and are responsible for weed and erosion control on all fallowed fields.
- A 'Lease-Fallow Tool' was created to determine consumptive use and return flow amounts.
- The program delivered a total of 405 acre-feet to the municipalities in 2016.
- Participating farmers are paid \$150 per fallowed acre plus \$500 per acre-foot of consumptive use water delivered.
- The calculated historic consumptive use of the farms averaged approximately 1.7 acre-foot per acre during 2016.
- In 2016, participating farmers were paid an average of \$1,020 per acre.
- Costs of controlling weeds and erosion on fallowed land averaged \$37 per acre.
- The project has worked well so far for both the participating farmers and the municipalities.



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