Alternative Agricultural Water Transfer Methods – Competitive Grant Program
Water Activity Summary Sheet
Agenda Item 13e

Applicant: East Cherry Creek Valley Water and Sanitation District

Water Activity Name: Options for Maintaining Agricultural Productivity on Historically Irrigated Lands that are the Subject of Water Transfers

Water Activity Purpose: Nonstructural Activity

Drainage Basin: South Platte River

Water Source: South Platte River

Amount Requested: $111,030

Matching Funds: **$**24,000 (22%)

Staff Recommendation
Staff recommends approval of up to $111,030 from the Alternative Agricultural Water Transfer Methods Program to help complete the project, Options for Maintaining Agricultural Productivity on Historically Irrigated Lands that are the Subject of Water Transfers.

Project Summary:
Agricultural transfers are going to occur in the South Platte basin as predicted in the SWSI report. Many M&I water providers prefer traditional water transfers and require dry up covenants at time of purchase. As a result, most agricultural lands that are the subject of transfers no longer remain in any type of agricultural productivity. This Project will:

a. examine the opportunities to maintain some level of productivity on lands that are the subject of water transfers, either through limited irrigation or dryland farming as a result of permanent dry-up or a rotational fallowing or interruptible supply agreement
b. continue the field studies on revegetation currently being conducted by Colorado State University at LaSalle, CO
c. develop and compare the costs and issues with dryland farming, limited irrigation, rotational fallowing or revegetation with no agricultural activity

This Project will build on the findings and results of the current Alternative Ag Transfer Grant Projects in the South Platte. Even with the preference of most South Platte M&I providers for traditional transfers that result in permanent dry-up, there is an opportunity to evaluate other approaches other than a permanent dry-up and/or revegetation with native grasses that eliminates any continued agricultural productivity with of those lands. The Parker study detailed potential crop yields and consumptive use under deficit irrigation techniques. The FRICO Project revealed that there is a very strong bias among M&I users to hold the ownership of transferred agricultural water rights and for traditional transfers. Other projects, such as the Super Ditch, have developed rotational fallowing as an approach that results in temporary, rotated dry-up of historically irrigated lands.

A significant portion of M&I water rights acquisitions include dry-up covenants as an assurance of achieving the maximum consumptive use through the water court transfer process. The Division Engineer and other objectors in Water Court seek assurances through the water court change of use process that the consumptive transferred to M&I use does not continue on the historically irrigated lands.

Dry-up covenants typically require the seller of the water right to agree to permanently cease irrigation of the lands historically irrigated with the water rights that are sold and transferred. The dry up covenants are normally recorded to ensure that the dry-up provision is enforceable with future land owners. The end result is that agricultural use on the land ceases.

This Project will explore the opportunities to maintain some level of agricultural productivity on lands that are the subject of a water court transfer to M&I uses, either permanently or as part of a rotational fallowing or interruptible supply agreement. The two primary alternatives to revegetation of fallowed land that would be the subject of this Project are:

- dry-land farming
- dry-land farming with the allocation of a specified minimum amount of supplemental water needed to provide greater assurances of producing a dry-land crop yield under most climatic conditions

Discussion:
This proposal aims to keep agricultural productivity on lands that could very easily fall out of production due to the removal/transfer of its irrigation water due to urban transfers. One of the key goals and objectives of this grant program is to minimize the negative effects of urban transfers and help sustain Colorado's agricultural economy. In SWSI 2010, it is recognized that municipal water providers plan on using agricultural transfers as a portion of their future water supply. Given this reality, this project has the potential minimize the impacts that are expected to occur.

Issues/Additional Needs: None identified.

Staff Recommendation:
Staff recommends approval of up to $111,030 from the Alternative Agricultural Water Transfer Methods Program to help complete the project, Options for Maintaining Agricultural Productivity on Historically Irrigated Lands that are the Subject of Water Transfers.

All products, data and information developed as a result of this grant must be provided to the CWCB in hard copy and electronic format as part of the project documentation. This information will in turn be made widely available to Basin Roundtables and the general public and will help promote the development of a common technical platform.

In accordance with the Criteria and Guidelines of the Alternative Agricultural Water Transfer Methods Competitive Grant Program, staff would like to highlight additional reporting and final deliverable requirements. The specific requirements are provided below.

Reporting: The applicant shall provide the CWCB a progress report every 6 months, beginning from the date of the executed contract. The progress report shall describe the completion or partial completion of the tasks identified in the scope of work including a description of any major issues that have occurred and any corrective action taken to address these issues.

Final Deliverable: At completion of the project, the applicant shall provide the CWCB a final report that summarizes the project and documents how the project was completed. This report may contain photographs, summaries of meetings and engineering reports/designs.

Engineering: All engineering work (as defined in the Engineers Practice Act (§12-25-102(10) C.R.S.)) performed under this grant shall be performed by or under the responsible charge of professional engineer licensed by the State of Colorado to practice Engineering.