
Larimer County Piloting Colorado's First Perpetual Agricultural-Municipal ATM Project

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With the help of the CWCB's Alternative Agricultural Water Transfer Program, Larimer County is leading the way in developing what will be the State's first perpetual agricultural-municipal ATM project.

In the fall of 2015 Larimer County Open Lands Program received an \$186,000 grant from the Colorado Water Conservation Board to implement a pilot ATM project which combines agricultural land conservation with

a permanent dry year interruptible water supply agreement for a municipality. The CWCB grant is helping fund a consultant team to develop the water agreement between Larimer County and a municipal partner in addition to a farm/water management plan.

In August 2016, Larimer County purchased a 211-acre farm near Berthoud, Colorado which includes 240 Colorado-Big Thompson (C-BT) units and native ditch shares to serve as the ATM pilot farm. Larimer County purchased the property for approximately \$8.4 million with a significant portion of the costs attributable to the C-BT water which has recently sold for \$27,000/unit. This price was the fair-market price and several developers were prepared with backup offers.

The large block of C-BT water associated with this farm makes it an ideal pilot/demonstration project as C-BT does not have to go through Water Court to change its use. This flexibility has resulted in expensive prices of C-BT water over the past several years. In 2012, a C-BT right averaged \$14,000 and in 2016 the average price is approximately \$27,000, a nearly 200% increase in price. This price increase is a reflection of the high cost of water court, the increased flexibility of C-BT and the limited availability of C-BT water.

The farm is highly productive and has historically grown sugar beets, corn and hay and is located near the Larimer-Boulder county line serving as an important gateway property into the County and a community buffer for Berthoud. Preserving the property as an irrigated working farm would not only help the agricultural economy in the region but help preserve the sweeping views of the foothills as well as Longs Peak from US Highway 287, a highly traveled road.

Despite the farm's exceptional attributes, \$8.4 million is a significant amount of money which reduces the County's available funds to acquire other properties for open space purposes. An important objective of this project is to recoup a significant portion of their investment through an ATM agreement with a municipal partner. The concept is for the municipal



water provider to pay a combination of an upfront payment and payments when they exercise their right to use the water—presumably during drought years. If and when this project is successful, the County hopes to replicate it to leverage their dollars to provide a greater impact in the protection of irrigated agricultural lands while helping municipal water providers meet their future water supply needs.

This project has received wide support from various entities and individuals including CSU's Larimer County Extension Office, the Thompson Agricultural Education Program (local FFA chapter), the Dry Creek Lateral Ditch Company, the Handy Ditch Company, the Colorado State Beekeeper's Association, National Young Farmers Coalition, Colorado Farm Bureau, Berthoud Historical Society, Berthoud Local (non-profit supporting local agriculture), and several local neighboring farmers. The Town of Berthoud and a private foundation are providing financial support. In addition, a grant from the Great Outdoors Colorado (GOCO) is also being sought.

Western Water Partnerships, a Colorado Public Benefit Corporation specializing in innovative water transfers, is leading the project and is supported by Brown & Caldwell (engineering), AgSkill (agronomics), Harvey Economics (economics) and Fischer, Brown, Bartlett & Gunn (attorney).

About the author: Todd Doherty is the president and founder of Western Water Partnerships, a Colorado Public Benefit Corporation with the mission of preserving irrigated agricultural lands by facilitating water sharing agreements between farmers, ranchers, municipal water providers and local governments utilizing market-based approaches. Prior to starting Western Water Partnerships, Todd worked for the CWCB for 15 years on instream flows, long-range water supply planning and managed the Alternative Agricultural Water Transfer Method (ATM) Program.