



Colorado Ag Water Alliance

“Committed to the preservation of agriculture through the wise use of Colorado’s water resources”

Position on ATMs

August 7, 2017

Note: This draft by Colorado Water Institute draws on discussion of ATMs at CAWA’s March 23, 2017 meeting, from executive committee members at an April 12 meeting, and from changes made by CAWA members at their April 27, June 26, and August 7 meetings.

CAWA recognizes that agriculture water, through use and reuse, provides for exponential benefits to the entire ecosystem beyond abundant and safe food production. Removing or reducing agriculture water uses will limit stream flows, affect downstream water availability, restrict wildlife habitats, reduce nutrient cleansing, and reduce critical food and energy production. Colorado water principles must acknowledge and embrace this fundamental contribution by agriculture to the state and its ecosystem.

Colorado’s Water Plan calls for the use of ATMs—alternative transfer methods—as a means to reduce the permanent dry-up of agricultural water to meet a projected gap in water supply and demand. This paper states the views of the Colorado Ag Water Alliance about ATMs and in no way preempts any individual organizational member of the Colorado Ag Water Alliance from expressing their positions on proposals, including but not limited to legislation. Rather this document offers areas of alignment and agreement among Colorado’s agriculture organizations in order for interested audiences to clearly understand the set of baseline considerations that agriculture will review in context of ATM’s.

1. CAWA is a champion for irrigated agriculture as a means of promoting a vibrant, profitable Colorado Ag sector.
2. CAWA supports development of new water supplies for all Colorado users through storage and infrastructure as the best alternative to permanent buy and dry.
3. Colorado operates under the prior appropriation system. CAWA recognizes that water rights are and must be preserved as a property right.
4. The use of ATMs results in the loss of irrigated agriculture to some degree, whether temporary or permanent, with unintended economic and quality of life issues such as loss of food security and the environment.
5. CAWA supports ATM policy that is beneficial to Ag—as a means of minimizing the movement toward permanent dry-up of Ag lands in the face of pressure to convert Ag water to urban ownership. ATMs can be a mechanism for curtailing buy and dry and preserving future flexibility.
6. CAWA supports the development of ATM tools that reduce transaction costs, so that when an Ag producer is under pressure to sell, leasing is a feasible alternative option.



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7. ATMs may be especially appropriate for drought proofing of municipal supplies, topping off reservoirs, and to provide interim supplies while long term projects are being completed. In these circumstances Ag water can be made available temporarily while preserving the long term use of water for agriculture.
8. ATM agreements should be constructed so as to maintain future flexibility and to support the viability of rural communities and a robust state economy.
9. ATMs should be made available to all water users, but those who do not want to participate should not be forced, nor should an ATM on a ditch harm non-participating water right owners.
10. CAWA supports the integration of new as well as existing storage and infrastructure into ATM arrangements, recognizing that
 - Storage will facilitate and may be critical to timing and delivery of ATM water
 - Storage allows for ATMs to offer a dynamic supply of water—the ability of water from multiple suppliers to meet both volume and time duration of water needs
 - Storage is likely a key to a sound and lasting ATM program
 - ATMs are difficult to implement without storage to firm up the supply, and infrastructure to deliver water from supply to demand
 - ATMs can provide a buffer to a new supply project during times when that project could not otherwise yield
11. The state may have a role in providing an administrative framework to facilitate ATMs in a consistent fashion, but not a role in setting price or other criteria outside of the framework they may develop and enforce.
12. CAWA encourages each individual or group considering entering into an ATM agreement to think through how such an agreement fits with long term goals, including the value of their agricultural water rights.
13. CAWA supports the exploration of the use of term and perpetual agreements as avenues that limit irrigated agriculture dry-up while delivering water to alternative uses. Funding avenues must be reliable and offer fair compensation. Furthermore, CAWA stresses that a series of temporal agreements will meet long-term and/or perpetual needs for leased water and should be explored.
14. CAWA supports efforts to make Ag producers aware of available ATM options so that when approached to sell their water they see alternatives.
15. CAWA supports the development of a clearinghouse of information including a database of prices, general transaction details and sample ATM agreement contracts, as a means of promoting transparency and the arrival of prices through an informed market. Such a clearinghouse can provide not only transparency but information and connectivity.