Implementing ATMs

Colorado’s Ag Water Summit
December 2-3, 2019
The New Cache La Poudre Irrigating Co.

Water Marketing Strategy

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General Manager
Negotiating ATMs

Colorado’s Ag Water Summit
December 2-3, 2019
NCWMS

Team members:
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Grant Funding total of $407,907
Bureau of Reclamation Water Smart Grant = $192,950
Colorado Water Conservation Board = $214,957
Urban Growth
• New Cache is impetus

• Development of a flexible water market that can provide options for use of your water
  • What is the goal?
    • Flexible use of asset
    • Retain Ownership
    • Income Potential
    • Provide Wet Water without Permanent Dry-up
Dry-up
Supply:

- Stockholders in NCLPI / CLP Reservoir
- By Choice
- Change Case

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Issues

- Difficult change
- Short sighted
- Unknown - future
Why New Cache?

- Facilities
  - Proximity of canal to Poudre and South Platte
  - 4 reservoirs
- Water rights portfolio
- Buy and Dry is imminent
- Willing leadership / stockholder base
End Use:

- Municipalities
- Industry
- Augmentation

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- Short sighted
- Short term need
- Short of money
Cooperative effort:

3 Key components

- Ag heritage
- Economic impact
  - Community
  - Farms
- Open space / Buffer
Current discussions - Compensation

- **Option A**
  - Perpetual lease
  - 3 tiers
    - A1 - Up front payment
    - A2 - Every year
    - A3 - Water use years
      - 6 out of 20 years
      - Max of 3 consecutive

- **Option B**
  - B1 – Water use years only
NCWMS

A1
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

A2

A3

B1
6 11 12 13 17 18
Current discussions - Issues

- Landlord/tenant
- Market relationships
- Tax implications
- 1031 Exchange potential
• Agreements
• Ability to add / adjust
• Responsible for providing water
• Monitor dry-up
• Handle funds
Thank you!
Questions?