

Northern Water plans to trade water with dozens of farms for Poudre River reservoir project

[Jacy Marmaduke](#), [The Coloradoan](#) Published 12:25 p.m. MT April 1, 2019 | Updated 12:17 p.m. MT April 2, 2019

AD

0:11

CLOSE



We visited construction sites along the path of a Northern Water pipeline to get a better understanding of how construction could impact residents. Fort Collins Coloradoan

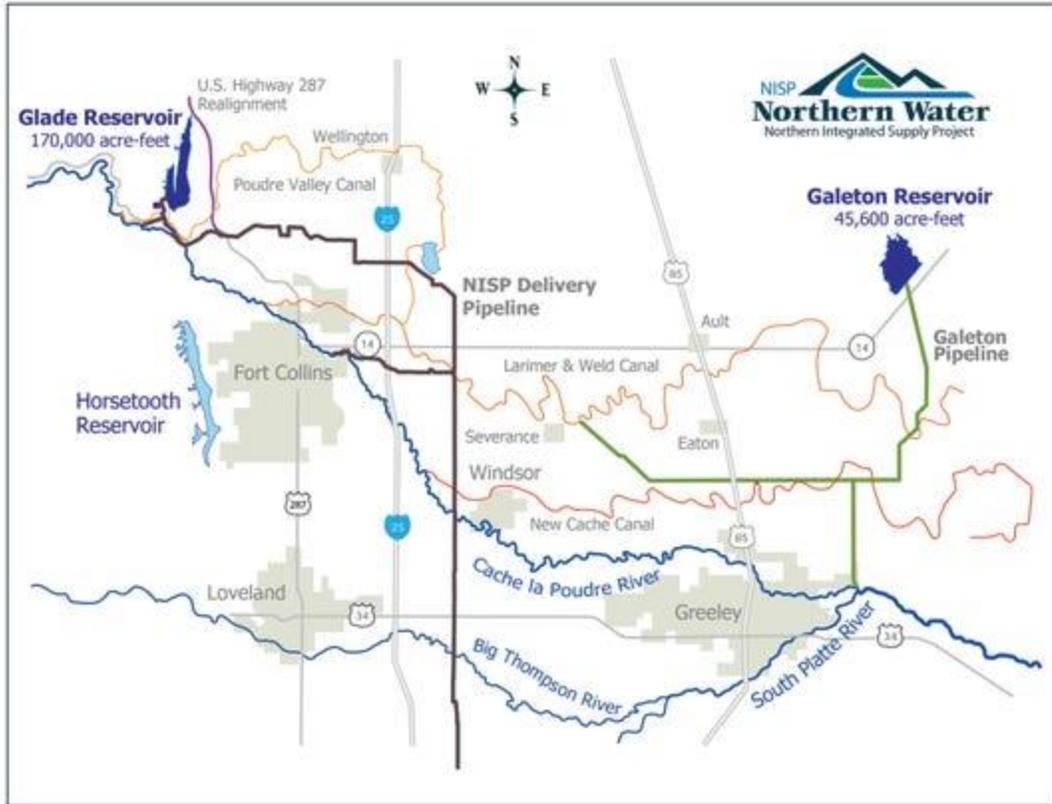
CONNECTTWEETLINKEDINEMAILMORE

Northern Water will have to buy "dozens and dozens" of Larimer and Weld county farms to lock down enough Poudre River water to fill a proposed reservoir for the planned [Northern Integrated Supply Project](#).

The unprecedented approach could substantially raise the price of NISP, a \$1.2 billion storage and delivery project funded by the 15 Northern Colorado municipalities and water districts that will use the water. Northern Water leaders say the approach will also prevent the dry-up of thousands of acres of farmland in Larimer and Weld counties because the agency won't strip the properties of water.

Instead of taking the buy-and-dry route of diverting a purchased property's water rights to a new use, [Northern Water](#) plans to trade its South Platte River water rights for the farms' Poudre River water rights. That means Northern Water will divert water from the Poudre River to store in the proposed Glade Reservoir and give the farmers a slightly larger portion of South Platte water from the proposed Galeton Reservoir.

Story continues below the map



NISP map (Photo: Courtesy of Northern Water)

Northern Water’s newly minted Water Secure program addresses a giant question mark that has lingered on the NISP road map for more than 15 years: The agency only has about half of the Poudre River water it needs for NISP. But it does have a lot of water from the South Platte River, which is less-suited for drinking than Poudre water and more expensive to treat.

This problem has never been a secret, but until now, Northern Water’s public plans included the assumption that farmers would willingly trade their water with the agency for free.

Those voluntary exchanges aren’t off the table, but Northern Water now plans to secure much of the water it needs by buying farms in two irrigation ditch systems — the New Cache la Poudre Irrigating Co. and the Larimer and Weld Irrigation Co. Once Northern Water owns those farms and their water, the agency will essentially be trading water with itself.

“We’ve just become the most willing shareholder on the ditch,” said Greg Dewey, a Northern Water water resources engineer and Water Secure project manager.

How we got here

Get the NoCo Asks newsletter in your inbox.

You asked Google, we answered. Get the top stories people are searching.

Your Email

Shares of Poudre River water in the New Cache la Poudre and Larimer and Weld ditches are coveted because they're senior water rights, which means their owners have first dibs for usage. That becomes important during dry years when there isn't enough water for everyone who's claimed a slice of an overallocated pie.

Senior water shares are crucial for NISP because Northern Water's current Poudre River supply (known as the Grey Mountain right) is a junior water right that will only be useful during wet years.

Dewey called Water Secure's approach a "risk management strategy" born during negotiations with the two ditch companies. He said it became clear that the farms Northern Water was eyeing for trades are vulnerable to [buy-and-dry](#), a controversial practice that has fed Colorado population growth at the expense of irrigated farmland.

"If that happens over the long-term, that jeopardizes our ability to exchange water with those systems," Dewey said. "So this is a way to help preserve that exchange and also (address) a common interest we have with those companies to keep water in the system."

Northern Water unveiled the Water Secure program in February after closing a deal on its first farm, a 28-acre property northeast of Greeley. The farm cost \$330,000 and came with 30 acre-feet of Poudre River water. Northern Water will need to buy "dozens and dozens" of farms to secure about 25,000 acre-feet's worth of water exchanges for NISP, spokesman Brian Werner said. An acre-foot of water meets the annual needs of about three or four urban households.

The project, whose participants include Windsor and the Fort Collins-Loveland Water District, will supply about 40,000 acre-feet of water annually to small towns and water districts in Larimer, Weld, Morgan and Boulder counties. It would cut Poudre River flows roughly in half during May and June and increase flows slightly in the winter. If NISP gets all the necessary permits, construction could start as soon as 2021 and water diversions could start in 2026.

Gary Wockner, executive director of [NISP opponent](#) Save the Poudre, called Northern Water's plans "completely speculative" and said they need another round of federal review.

"At a minimum, it dramatically increases the price of the project because they have to pay what looks like at least a quarter of a billion dollars for water," Wockner said, using a back-

of-the-napkin calculation based on the price of the first farm. “And that’s just this year. The price of water is going to keep going up, and if you publicly broadcast that you’re trying to buy 25,000 acre-feet of water, you increase the price just by doing that.”

When an agency applies for a project like NISP, its staff has to prove it evaluated other options and found that its proposal is the best. Wockner argues the cost impact of Water Secure could make other NISP alternatives more attractive.

Werner said staff is still evaluating how Water Secure will affect the price of NISP. He said the cost impact will depend on the ratio of farm purchases to willful water exchanges — and how much money Northern Water makes when it eventually sells the farms back to farmers.

NISP pipeline: [Will Larimer County approve a route similar to rejected Thornton pipeline?](#)

Northern Water plans to pursue legal contracts that permanently bind the water to the farmland regardless of its owner, which would shield the farms from buy-and-dry and protect the agency’s water exchange agreements. The water provider plans to lease the land to the original owner or another farmer until selling it to another entity that would be required to keep the South Platte River water on the property.

“If we buy a farm and establish that water agreement, then we’ll be looking to sell it back into private hands,” Northern Water spokesman Jeff Stahla said. “Our goal is not to be the major landowner up there.”

Wockner questioned whether it’s possible to strike a legal agreement that keeps the water with the land forever. He raised more questions about other aspects of the program: Will Northern Water be able to track down enough farm owners looking to sell their property? Will they have any luck reselling farmland permanently bound to its water in a market crowded with municipalities in search of water for their communities?

“There’s a certain craziness here,” he said. “It’s completely speculative that they could even buy this water, and this is the main chunk of water that allows the entire project to operate.”



Buy Photo

Pipeline construction crew members use a holiday tester to check the integrity of polyurethane coating on the outside of a section of pipe before setting it into place on Wednesday, March 6, 2019, near Longmont, Colo. (Photo: Timothy Hurst/The Coloradoan)

The legal agreements, likely conservation easements or covenants, would be the first of their kind in the region if not the state. Boulder County leaders have found success with a similar approach for preserving open space, Werner said.

He argued more federal review is unnecessary because Northern Water has included the water exchanges in its NISP planning documents since at least 2004. Northern Water's water court decree for the South Platte River water allows the trades.

Dewey, a Kersey native and former farmer, is Northern Water's "boots on the ground" for the program, Werner said. Dewey said Water Secure is getting positive feedback from farmers who've watched irrigated agriculture dwindle in Larimer and Weld counties.

"The people being served by this project are intimately connected to a lot of the land," he said, referencing communities like Severance and Eaton. "Some of the people who live in these towns might be kids that grew up on these farms. This is a way to keep that connection and help that local economy that's been built on ag."

Carlyle Currier, vice-president of the Colorado Farm Bureau, said Water Secure could have a ripple effect on Colorado agriculture. Low prices for crops and other agricultural commodities are driving more and more farmers to sell "because they're tired of losing money at it," he said.

“Anything we can do to keep a solvent amount of land in productive agriculture is beneficial to farmers across the state,” he said. “If we see too much land dried up, we lose the ability to maintain the infrastructure we need to keep all farms in business. We need that critical mass in agriculture.”