

New Cache la Poudre Water Marketing Strategy

Greg Kernohan



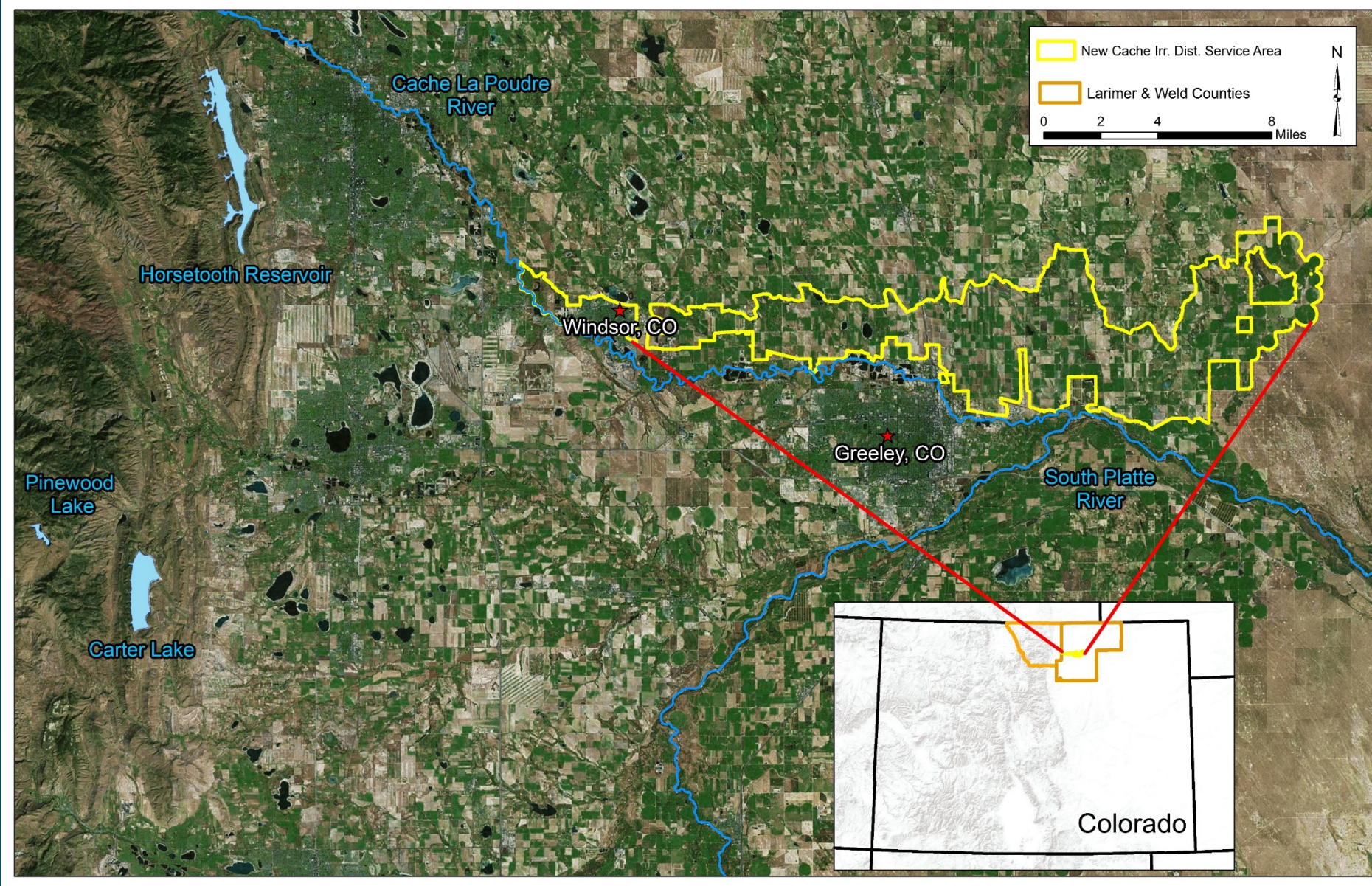
Brett Bovee



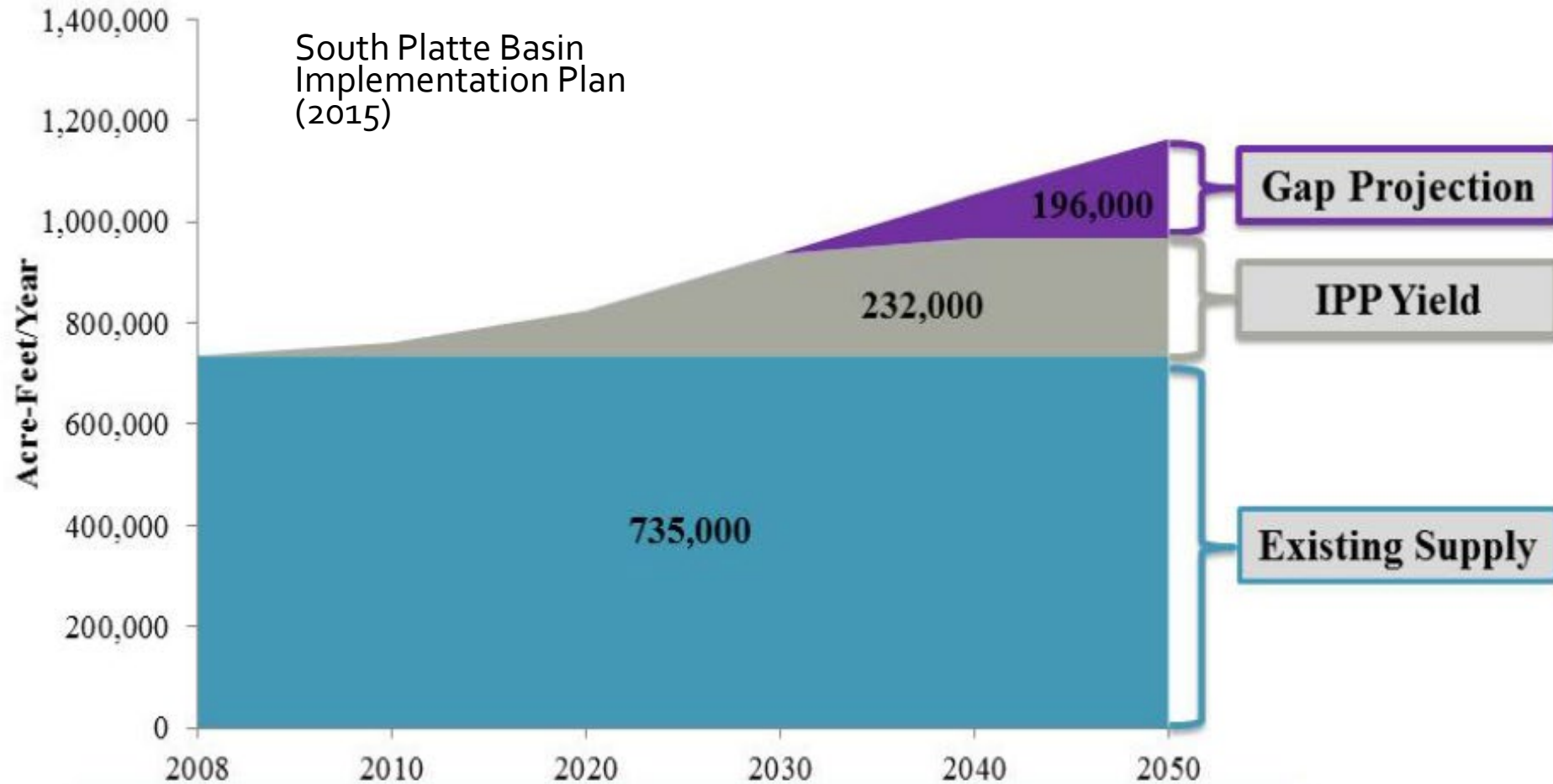
Poudre River Forum
February 1, 2019

RESCUE  OUR
WETLANDS
Banding Together for Waterfowl

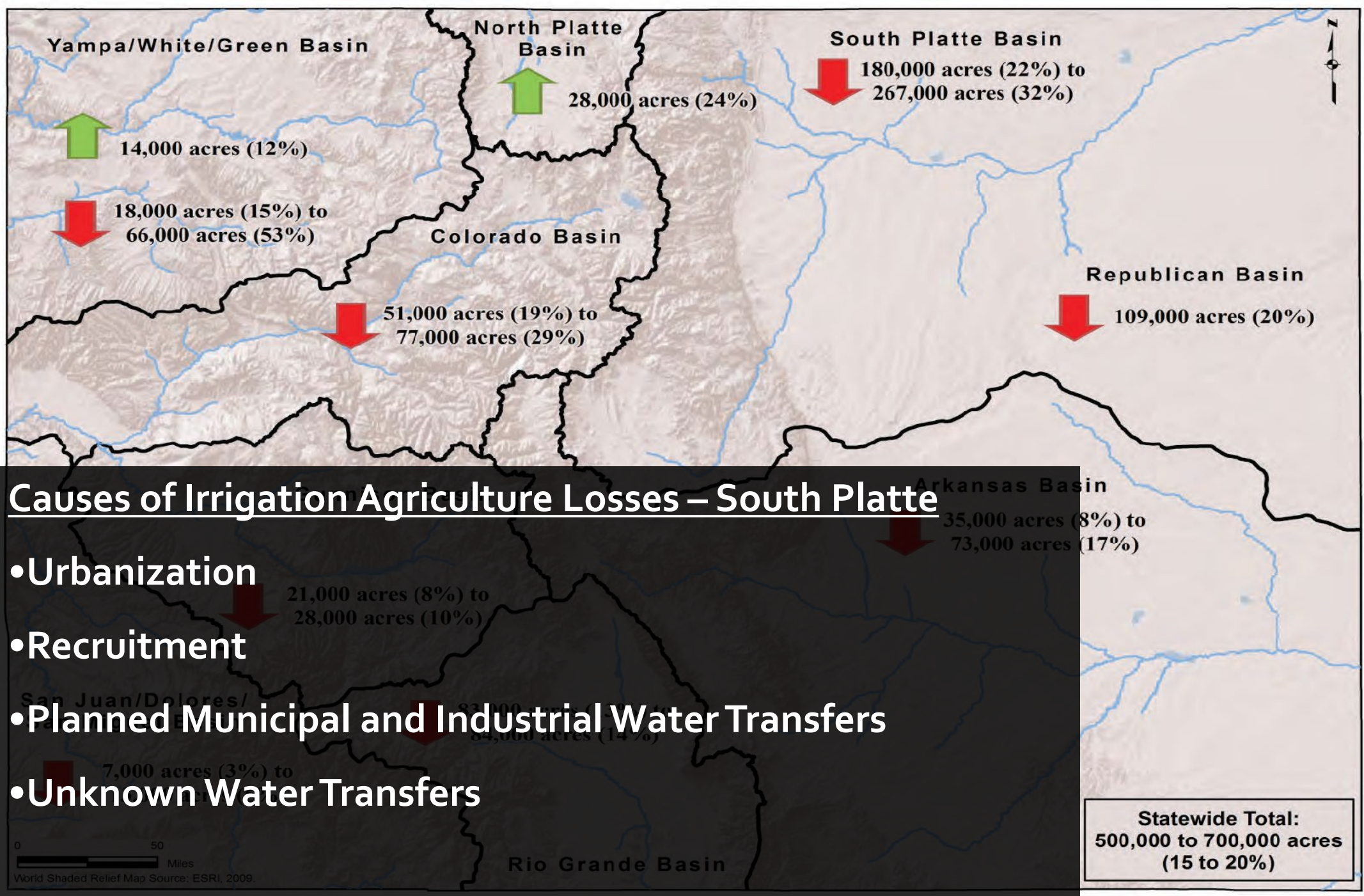




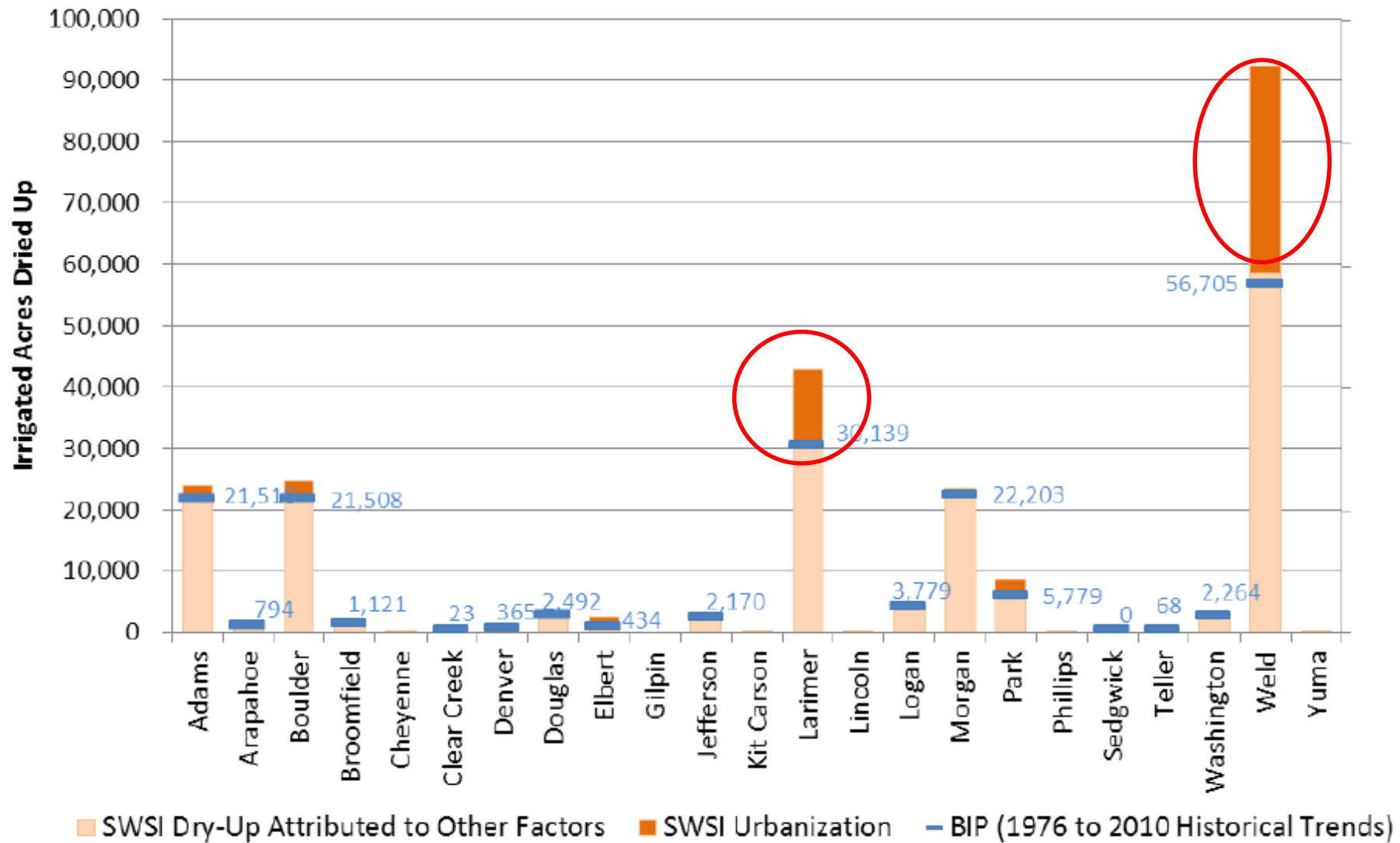
New Cache Irrigating Company System



Municipal/Industrial Water Gap



Loss of Irrigated Acres by County



A map of Colorado with wetland areas highlighted in green and yellow. The map shows the state's outline and major geographical features. Labels for 'Severance', 'Greeley', and 'Gill' are visible on the map. The text is overlaid on the top left portion of the map.

Increases in Sprinkler and Conveyance Efficiency =

- 26-51% Loss of Wetlands
- -\$5,647/ha economic value

(Smith, 2012)

Potentially Restorable Wetlands

Water Marketing Strategy

- Bureau of Reclamation Water Smart Grant
- Colorado Water Conservation Board ATM Grant
- GOAL – Wet Water Trade Agreement
- Develop a legal framework for the efficient voluntary transfer of water through non-diversion agreements, dry-year options, and groundwater recharge, etc.
- Outreach, Education, and Partnership Building

Jumping Hurdles

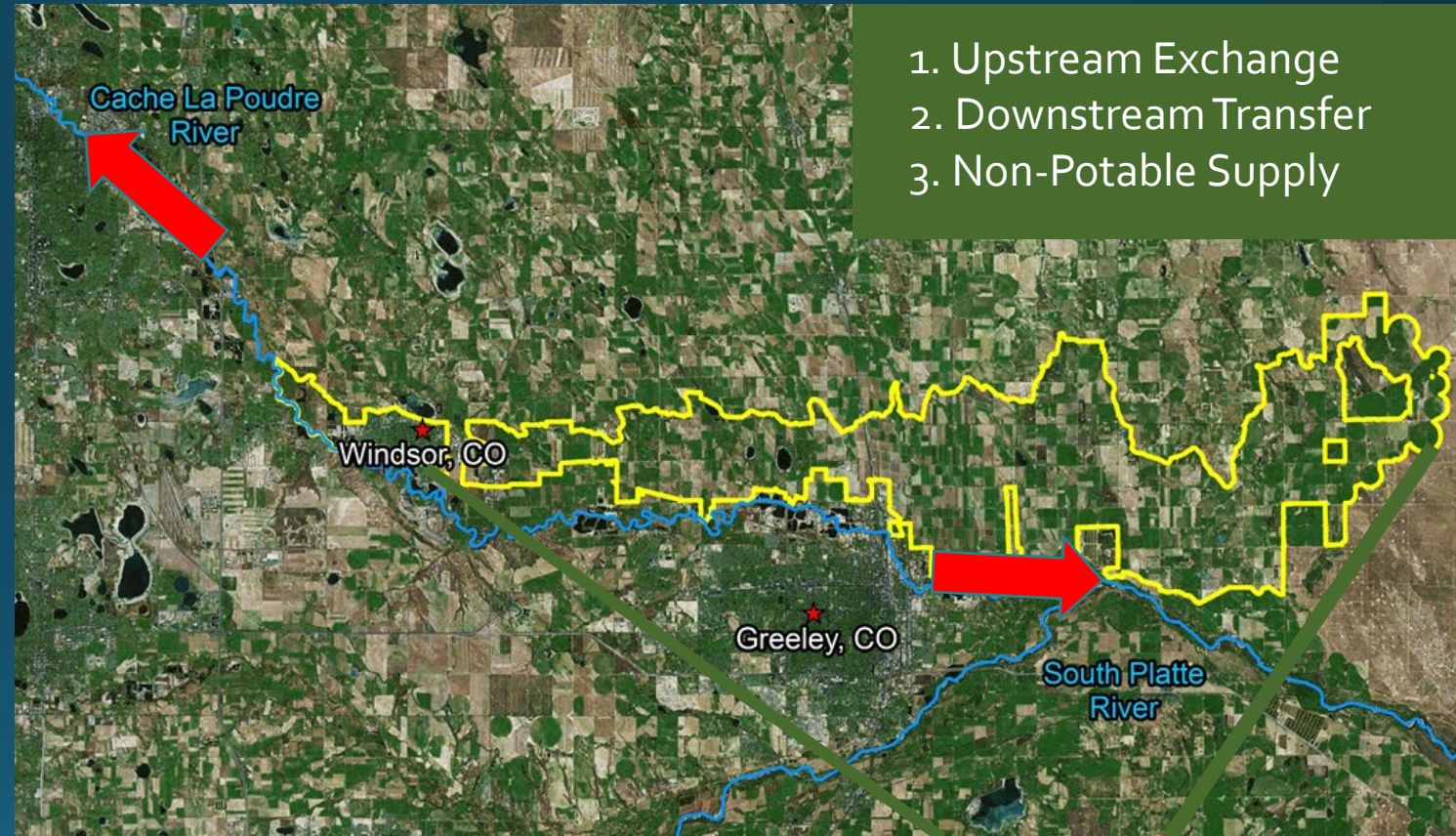
- **Certainty:** acquisition provides a better guarantee to service new demands
 - Develop long-term contracts
 - Write contracts to provide certainty
 - Analyze the source of supply
- **Cost:** long-term leases are more expensive than just buying water
 - Depends on escalation and discount rates
 - Depends on negotiated terms
 - Poudre Basin is experiencing rapid price escalation
- **Dedication Pattern:** dedicated supply for each new tap
 - Portfolio approach to supply
 - How can non-traditional supplies improve portfolio
 - Cash in lieu policies

$\$50,000/\text{AF} @ 5\% = \$2,500/\text{AF}$



Why the New Cache Works

- Shareholder & Ditch Company Interest
 - *Significant % of interested shares*
 - *Management interest*
- Multiple Transfers & End Users
 - *See map →*
 - *Demand extends to South Denver*
- Large Company & Water Supply
 - *Scale is sufficient to explore options*
 - *58,000 AF and 32,000 acres*
- Diverse Water Rights & Supply
 - *New Cache la Poudre Irrigating Co.*
 - *Cache la Poudre Reservoir Co.*
 - *Lower Poudre Augmentation Co.*
- Precedence
 - *6 existing change cases*
 - *Existing water lease agreements*
- Grant Funding to Secure Agreement



New Cache la Poudre Water Marketing Strategy

Dale Trowbridge, Manager
New Cache Irrigating Co.
970-352-0222

Greg Kernohan, Director
Ducks Unlimited
970-481-7793

Brett Bovee, Director
WestWater Research
970-672-1811

Dan Brown, Attorney
Fischer, Brown, Bartlett, & Gunn
970-352-0222

THE NEW CACHE LA POUFRE IRRIGATING COMPANY
THE CACHE LA POUFRE RESERVOIR COMPANY

