

Ark River pipeline in murky waters

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Sunday, July 31, 2011 12:00 am

A 150-mile pipeline from the Arkansas River at Lamar to the Front Range, the goal of a water developer seeking a special district expansion in Elbert County, may face daunting challenges in finding water to fill it, gaining the legal right to move it and making it pay off.

GP Resources' plan began to unfold last week, catching the Arkansas Valley off-guard. It's not the first time a grand scheme to take water from the valley has been suggested, but it has stirred up questions about how it could possibly work.

One of the biggest obstacles could be the Arkansas River Compact, which led to a 24-year U.S. Supreme Court lawsuit between Kansas and Colorado.

The Arkansas River Compact Administration would have to approve any transfer of water from Water District 67 in Colorado, said Steve Witte, Division 2 Engineer and operations secretary for the compact.

Each state has an equal vote in changing policy and in the past it has taken years to resolve even those issues that weren't addressed in the federal lawsuit.

Many in the Arkansas Valley are skeptical of the expense of building a pipeline from Lamar because of the construction, pumping and treatment costs.

The Pikes Peak Water Supply Authority studied the economics of building a pipeline from the La Junta or Avondale areas in 2006-07 and determined it would cost too much — more than \$1 billion.

"We've spent a lot of time working with Colorado Springs, and for us Southern Delivery System is a less costly alternative," said Gary Barber, manager of the Pikes Peak group.

SDS primarily will serve Colorado Springs when it is completed in 2016.

The main area the new water supply would serve, the Banning-Lewis Ranch, is in bankruptcy and Ultra Resources is seeking to purchase most of it — 18,000 of 21,500 acres — for oil and gas development, not homes. Colorado Springs is fighting the purchase in federal court.

Colorado Springs has altered its policy to allow other communities to buy water or use its infrastructure. To use SDS, other El Paso communities would have to complete their own federal environmental impact statement and comply with Pueblo County 1041 conditions.

Assuming the backers of the Lamar-Elbert County pipeline are willing to risk the expense, there would be the problem of finding enough water to make the venture profitable.

GP, in a news release, says it plans to develop water rights it owns in the Lamar area, which apparently are on the Lamar Canal. The Lower Arkansas Well Management Association owns about one-third of the canal, and while the ditch has some senior water rights, the majority of its rights are fairly junior in the area's priority system.

So other water rights may have to come into play to make the project successful.

The owner of the largest collection of water rights in the Arkansas Valley says he is not involved in GP's proposed pipeline.

"I met with Karl (Nyquist) more than a year ago," said Mark Harding, president of Pure Cycle. But he did not sign any agreements to participate. "If there was something tangible, we'd take a look. I didn't think they had anything to offer."

Pure Cycle is the largest shareholder on the Fort Lyon Canal, which could deliver water to the Lamar area. Pure Cycle bought the holdings of High Plains A&M, which purchased farms on the Fort Lyon a decade ago, only to lose its Water Court case and appeal to the state Supreme Court to change the use of the water because it violated the state's anti-speculation doctrine.

Pure Cycle proposed a pipeline to Arapahoe County when it purchased the Fort Lyon water rights, but Harding has spent years refining the plan to benefit both agriculture, and eventually cities. He signed on for the Arkansas Valley Super Ditch, which has a goal of selling water through leases while allowing farmers to retain water rights.

"We are looking to develop our asset down there in a partnership with agriculture and municipal interests," Harding said. "Non-participating water rights still need to be protected, and we are still interested in doing rotational fallowing."

Harding does not rule out a pipeline to the Front Range at some point, and said one is probably needed for the Super Ditch to realize its full value.

"If we're wildly successful, we'll keep the water on 300,000 irrigated acres and bring in another source of income for farmers," Harding said.

But, he said he thinks any pipeline proposal would have to move through the basin roundtable process set up in 2005 to resolve interbasin transfer issues. He sits on the Metro Roundtable.

"I'm a firm believer in the cooperative framework we have set up," Harding said.

Barber, who is president of the Arkansas Basin Roundtable, also said the proposal needs to go through the established state process to identify all potential concerns.

“We’ve set it up to work collaboratively,” Barber said. “On a personal level, I’m not enthusiastic about taking a pipeline over the hill.”