

Farmer sees payoff at both ends of pipeline

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LAMAR — The Grasmick family has seen water use change dramatically on the Lamar Canal in the last 60 years, and now wants to take it to the next level.

The Grasmicks have sold their land and Lamar Canal shares to GP Water, which plans to build a treatment plant near Lamar and a pipeline to Elbert and El Paso counties to deliver drinking water to the Front Range.

The family has invested in GP Water, will continue farming for GP on the Lamar Canal and sees benefits for Prowers County from the deal.

“With GP, it was the first time I had talked to people who talked about how to build a project that would have benefits at both ends of the line,” said Bill Grasmick, 64, the oldest of three brothers in the family corporation. “I’m looking at this as economic development.”

Grasmick’s father, William Grasmick, started farming near Granada in 1949. In the 1970s, his sons — there are seven siblings total, including two who live in the Pueblo area — formed a family corporation. They own about 3,000 acres of ground, but for years have farmed much of their neighbors’ property, as well.

They grow mostly alfalfa, corn and wheat, but also some onions and melons.

“It’s what’s worked for us over the years,” said Grasmick, who holds a master’s degree in business administration. “Over the years, we’ve shrunk our melons and onion acreage, mostly because of the labor issues.”

There have been other offers for the water from the Lamar Canal since the 1990s, along with a slew of changes. Grasmick is the president of the canal company, and those changes are a daily fact of life for him.

Many areas along the canal were dried up for use by the Lower Arkansas Water Management Association, which augments depletions to the Arkansas River from well-pumping. Grasmick also sits on the LAWMA board, so he understands the conditions put on Colorado wells by the U.S. Supreme Court lawsuit with Kansas over the Arkansas River Compact.

Cattle feedlots, the Colorado Division of Wildlife and the city of Lamar also have taken water from farmland under the canal over the years.

There also have been water speculators — High Plains A&M, Tri-State Generation & Transmission Association and others — showing up on the doorstep over the past two decades.

GP partners Karl Nyquist and David Pretzler bought farms and some of the water owned by Colorado Beef in 2002, and the Grasmicks were farming it at the time.

“I think over the years we’ve developed a relationship with them,” Grasmick said. “Their goal has always been to get water for their projects on the Front Range, and the family has been interested in it.”

The Lamar Canal has one of the most senior water rights below John Martin Reservoir, with an 1875 priority date, Grasmick explained, standing at the ditch intake on the Arkansas River in Lamar.

The Lamar Canal diverts water to the south of the river for about 21 miles, where it flows into the Granada Ditch. The route goes through an area once irrigated by the Manvel, X-Y and Graham ditches, whose headgates were damaged by the 1965 flood and which now primarily provide LAWMA water.

On many days, the Lamar Canal virtually “sweeps” the Arkansas River, which then gains return flows as it makes its way to Kansas.

During a tour of the ditch last week, Grasmick illustrated the history and future of the ditch.

The past: Many of the farms on the Lamar Canal already have been revegetated or converted to dryland farming. Flood irrigation has been replaced by well-fed sprinklers on many pieces of ground. Some large commercial patches of onions and melons show the land still is viable — it yields about seven tons of alfalfa hay, 200 bushels of corn and 80 bushels of wheat per acre. There still are a handful of commercial farming operations on the canal, despite all the changes. There also are a lot of well-fed sprinklers in the area — some, but not all, connected to the Lamar Canal.

The future: A proposed gravel pit will be dug on 260 acres owned by GP. It eventually will become a 10,000 acre-foot storage site that would serve a water treatment plant at the beginning of the pipeline. It’s near Lamar’s sewage treatment pond in the industrial park just outside Lamar, and within sight of the old Neoplan bus plant and associated industrial buildings. One corner of a field of corn badly damaged by feeding deer shows the possibility for wildlife areas, and possibly hunting clubs.

Most importantly, there are still crops being grown in both dry and irrigated fields. Grasmick said that will continue.

“Guys will tell me you can’t dry farm land that’s been taken out of irrigation, but you can look at that field of feed (sorghum) over there and see that dryland farming is possible,” Grasmick said. “As we do the project, I’ll still be farming. We want to keep it viable.”

Selling and moving the water out of the area through a pipeline is no different than using it to grow products that are sold elsewhere, Grasmick argued.

“The water will bring money into the area,” he said.

He explained that only the consumptive use — what crops have historically consumed — would be moved after it has gone through the canal’s headgate.

The rest of the water will be returned to the river and measured at augmentation stations, like those that have been installed on the canal by LAWMA. Any changes in the use of water must be approved in Water Court, so other rights won’t be injured, Grasmick said.

GP will continue to farm, through its agreement with the Grasmick family, using LAWMA shares. The advantage is that the best farmland can be irrigated, including some of the land taken out of production in the past. Pivot sprinklers eventually will replace all flood irrigation on the ditch, he predicts.

“Any of the land that was taken out of production has not been abandoned,” Grasmick said. “It’s all part of our operation and we have a vested interest.”

He also plans to apply lessons learned from a decade-long study of irrigation in the Arkansas Valley by Tim Gates and other researchers at Colorado State University-Fort Collins, looking at waterlogging and salinity. One of the key practices is to periodically flood fields to counteract leaching of solids to the surface. Having control of the water supply is a good way to do that when it doesn’t rain enough.

Grasmick also has watched Tri-State’s progress on the Amity Canal, and said some of the same benefits can come from the GP Water project.

“The water is an asset we have that can be a benefit to the community,” he said. “They have a new motel in Holly, homes are being fixed up and people are buying new equipment. Lamar needs an economic boost, and it needs diversity. We can take some of the water we have and use it to create jobs for the community.”

Grasmick agrees with GP’s analysis that the jobs and tax benefits that come with building a treatment plant at Lamar will offset the farm jobs and land that will be lost.

There also is the possibility that treated water from the plant could be used by area water districts struggling with how to meet water quality regulations.

“This is where private equity can help with public needs,” Grasmick said. “Through this whole process, there will have to be some public education, but we’re not reinventing the wheel.”