

Water company makes its move

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During a time when Colorado water projects have been pushed through a make-or-break labyrinth of public opinion, GP Water has managed to stay off the radar.

That's about to change, as the company's plan for a 150-mile pipeline from Lamar to El Paso and Elbert counties will begin to face public scrutiny.

"We've watched other projects and tried to learn from their mistakes," said Karl Nyquist, CEO of GP Water. "No plan is perfect, but we think this is a unique opportunity and good timing."

Over the last nine years, GP quietly purchased 40 percent of the Lamar Canal, which already is used for municipal industrial, augmentation and wildlife in addition to agricultural purposes in the local area. Moving the water to growing communities could have grave consequences for Prowers County.

Nyquist would prefer that everyone benefit from his plan.

In a benefit analysis, GP acknowledges that Prowers County would lose some irrigated farmland, export water out of the basin and lose seasonal farm jobs.

On the plus side, the company plans to keep some of the farmland in production, improving it with sprinkler irrigation. It would increase the tax base with construction of a water treatment plant that would create jobs and diversify the local economy.

Finally, it plans to develop aquifer storage in Prowers County, which would benefit all water users by reducing evaporation.

The most surprising thing about the company's approach, however, is that it wants to subject the project to analysis under a water transfers template developed by the Arkansas Basin Roundtable.

The template was the first attempt in the state to address third-party impacts from water projects — making up for the closed shops on Main Street, loss of tax base and other problems that come with the sale of water. While the template was widely hailed in water circles, it has never been put to practical use.

"Our water attorney, Wayne Forman (of Brownstein Hyatt Farber Schreck), suggested we use it," Nyquist said. "In all of our projects, if we can work with all of the stakeholders, we have a better chance to find a win-win solution."

Nyquist and his business partner, P. David Pretzler, are primarily developers and builders. C&A Holding Co. started in Boulder in 1993, and has built more than 1,000 homes.

When the developers noticed water tap fees rising, they decided they should also be in the water business, Nyquist said. That led to the formation of GP Water Group.

While the company has developed more than \$300 million in real estate, it has managed more than \$100 million in road, water and sewer projects associated with the developments. C&A has managed more than \$650 million in bond issues.

It also holds water rights in both Elbert and Prowers counties, and now is taking its biggest step to date by attempting to market water.

"What we have tried to do is spend a lot of time in ground-up engineering," Nyquist said.

The project came to light first in Elbert County as the developers were laying more groundwork with the expansion of a special district in order to move the water. While the success of the Elbert County move is not essential to the pipeline project, it helps, Nyquist said.

"We think it's a win-win for all of the counties involved, including the destination counties," said Nyquist, who also happens to live in Elbert County.

"We're trying to look after the interests of every stakeholder."