

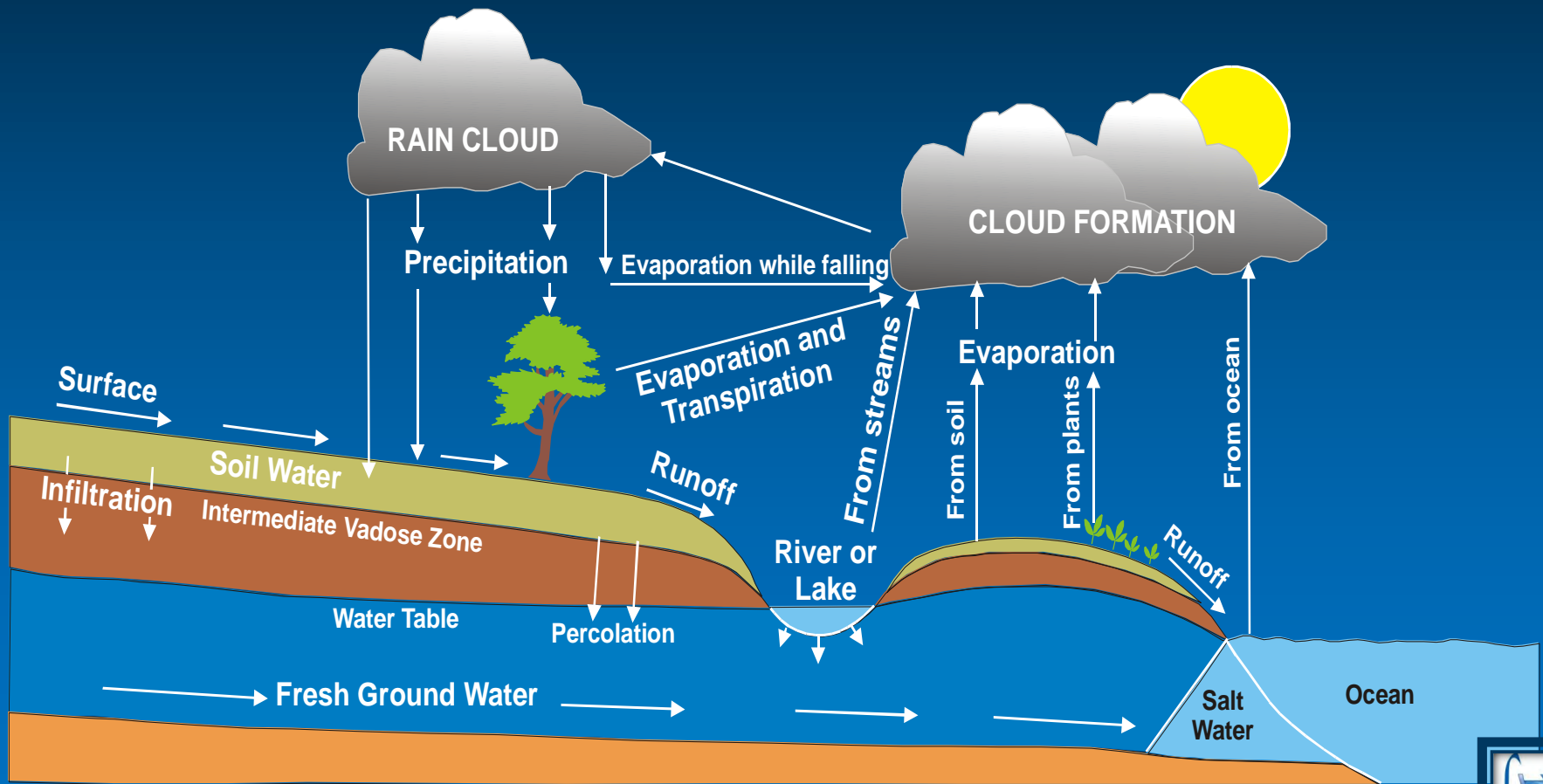
# BASIC PRINCIPLES OF COLORADO WATER LAW AND WATER RIGHTS VALUATIONS

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MARKETING NETWORK  
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# HYDROLOGIC CYCLE



# COLORADO WATER RESOURCES

- TRIBUTARY
  - DIRECT FLOW
  - STORAGE
- NONTRIBUTARY / NOT-NONTRIBUTARY
  - DENVER BASIN



# PRINCIPLES OF TRIBUTARY WATER

- DOCTRINE OF PRIOR APPROPRIATION
  - ↳ “FIRST IN TIME, FIRST IN RIGHT”
- USE IT OR LOSE IT
- IMPORTANT FACTORS TO EVALUATE
  - PRIORITY DATE
  - DECREED USES
  - HISTORIC USE
  - RELIABILITY



# TRIBUTARY WATER RIGHTS

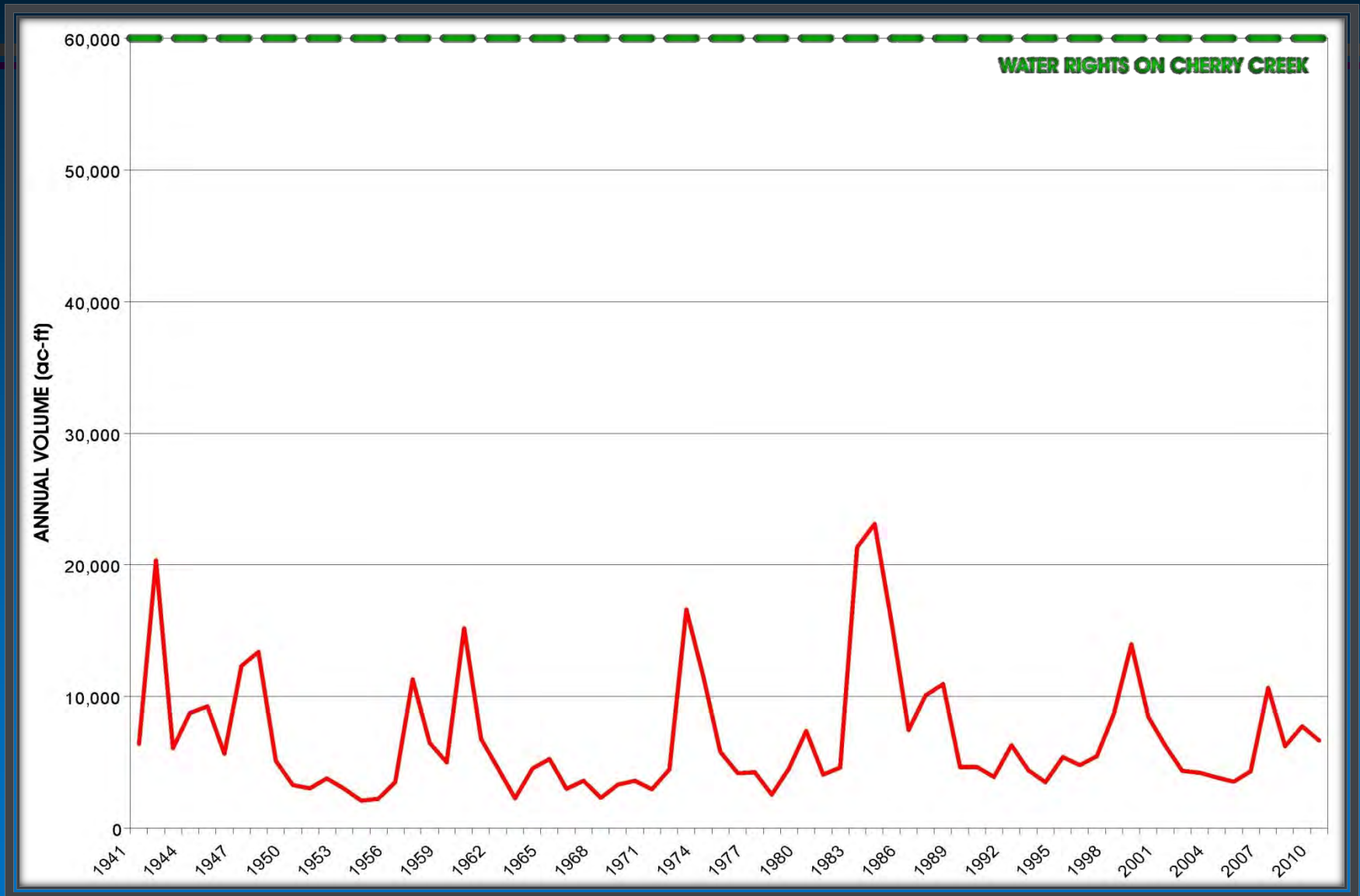
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- ❖ SURFACE DIVERSION
- ❖ SHALLOW WELLS
- ❖ AUGMENTATION PLANS
- ❖ EXCHANGE
- ❖ STORAGE





# WET WATER vs PAPER WATER



# WHAT'S WRONG WITH THESE RIGHTS?

## DIRECT FLOW

- ✓ PLATTEVILLE DITCH, JULY 1, 1862: 71.1cfs
- ✓ ILIFF & PLATTE VALLEY DITCH, OCT. 1, 1883: 150 cfs
- X UNION DITCH, SEPT. 26, 1873: 4 cfs
- X WELTON DITCH, APRIL 15, 1861(1863): 11.2 CFS
- ✓ SHOSHONE POWER, JAN. 7, 1902: 1250 cfs

## STORAGE

- ✓ NORTH STERLING, JUNE 15, 1908: 69,446 AF
- X CUCHARAS RESERVOIR, MARCH 14, 1906: 66,362 AF



# AUGMENTATION PLANS

- DIVERT WATER WHEN OTHERWISE WOULD NOT BE ALLOWED
- HAVE TO AUGMENT STREAM FLOW TO EXTENT OF YOUR DEPLETION UPSTREAM OF CALLING RIGHT



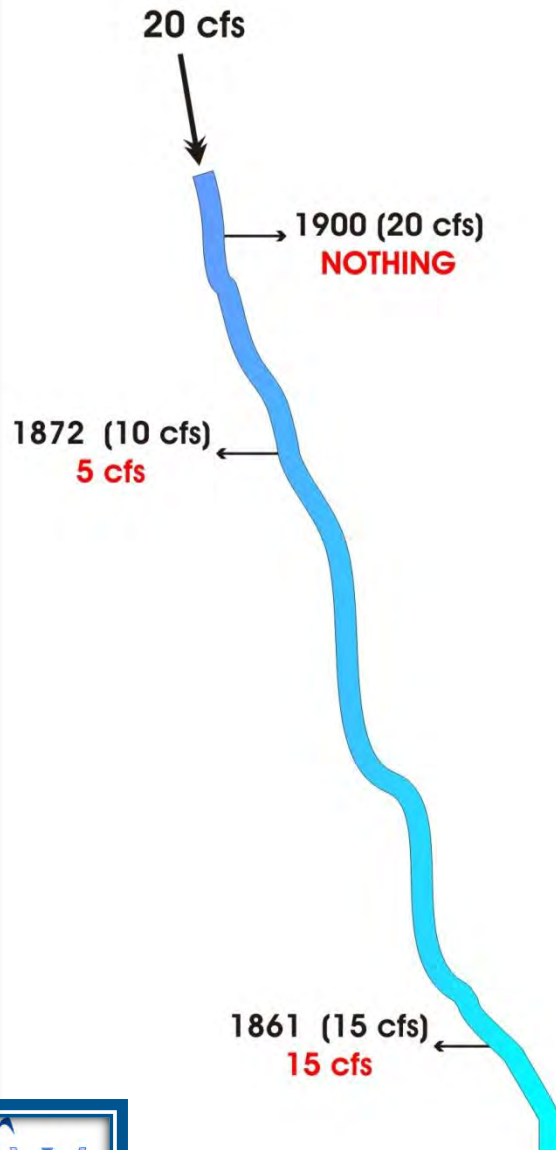


# EXCHANGE

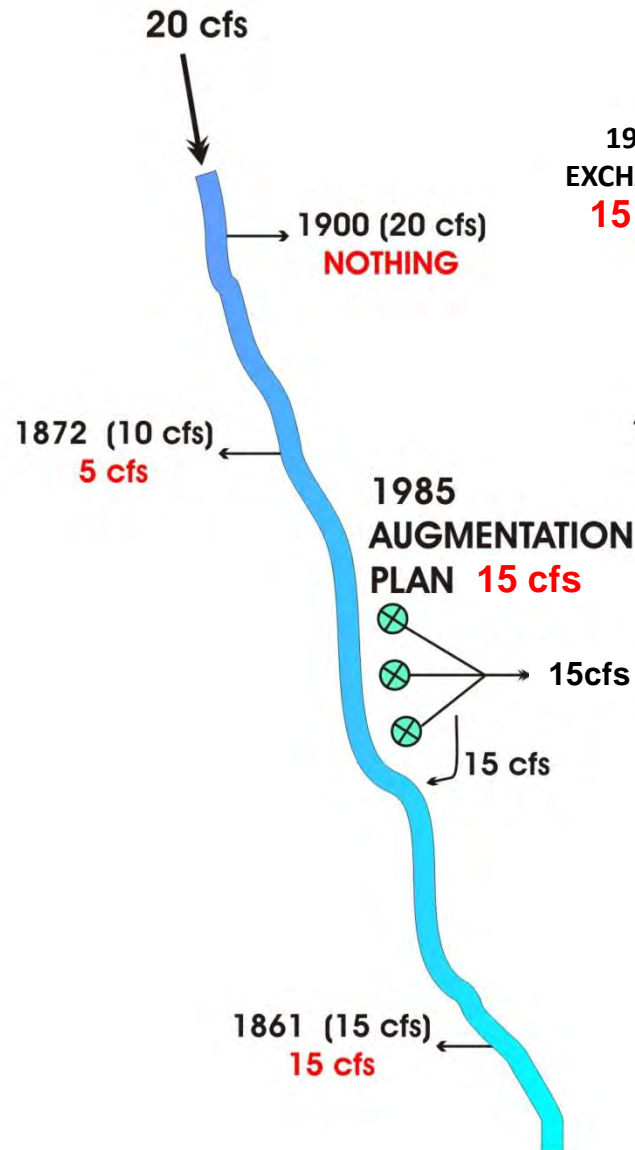
- HAVE A DECREED RIGHT AND LOCATION TO DIVERT BUT WANT TO TAKE WATER UPSTREAM
- CAN EXCHANGE WATER TO A DIVERSION POINT UPSTREAM AS LONG AS INTERVENING RIGHTS SATISFIED



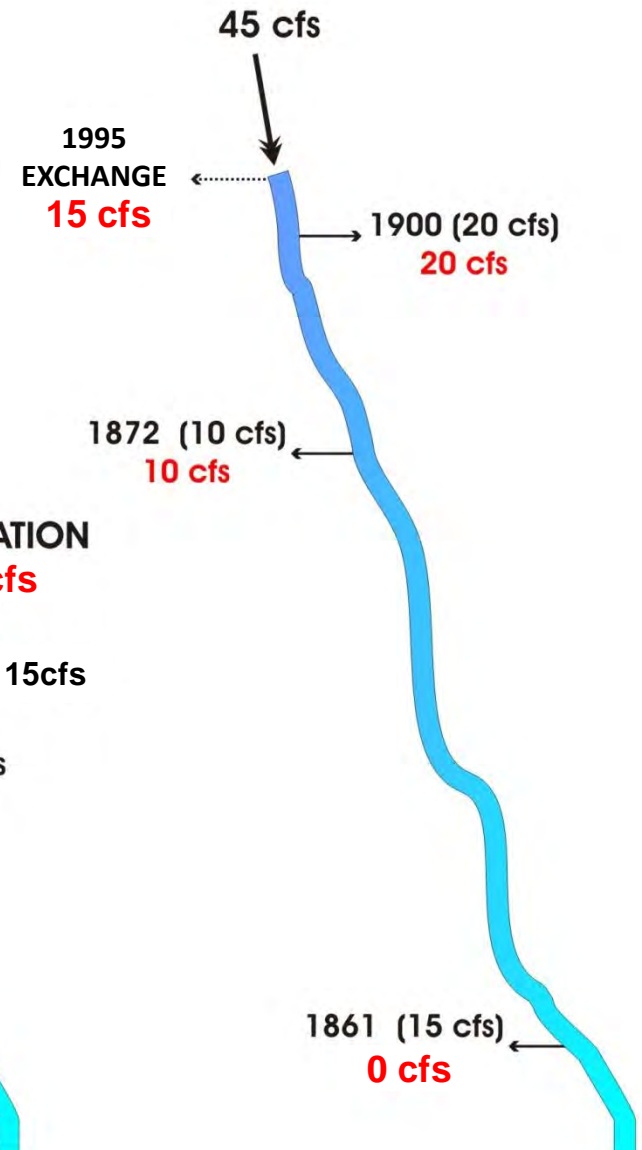
## DIRECT FLOW RIGHTS



## AUGMENTATION PLAN



## EXCHANGE



# NONTRIBUTARY GROUND WATER RIGHTS

- MOST WATER IN COLORADO IS PRESUMPTIVELY TRIBUTARY
- DENVER BASIN IS ONLY AREA WHERE WATER IS PRESUMPTIVELY NONTRIBUTARY
- NOT SUBJECT TO PRIORITY SYSTEM
- NON-RENEWABLE WATER RESOURCE



# TRIBUTARY WATER RIGHTS VALUATIONS

- ✓ TYPICALLY DONE SEPARATELY FROM LAND APPRAISALS
- ✓ WATER IS A SEPARATE REAL-PROPERTY INTEREST
- ✓ MANY TIMES WATER IS THE MOST VALUABLE ASSET
- ✓ EVALUATED ON HIGHEST AND BEST USE



# TRIBUTARY WATER RIGHTS VALUATION PROCESS

- UNDERSTANDING OF LEGAL RIGHT(S)
- EVALUATING HISTORIC PHYSICAL  
MANIFESTATION OF USE OF RIGHTS
  - HISTORIC USE
  - RELIABILITY
- VALUES INCREASING WITH GROWING  
STRESS ON LIMITED SUPPLIES



# VALUATION

- RESULTS OF HCU ANALYSIS = THE AMOUNT TO BE VALUED
  - COMPARABLE SALES
  - PRIORITY
  - HISTORIC USE
  - RELIABILITY
- VALUE INCREASING WITH GROWING STRESS ON LIMITED SUPPLIES





# THANK YOU!

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