

WATER RIGHTS VALUATION

Trollco, Inc. - Water Valley

Trollco, Inc. required an independent valuation of ditch shares in the Cache La Poudre River valley. The shares were historically used for farm irrigation, but an application was filed in Water Court to change the use of the shares to other uses, including irrigation, commercial, industrial, municipal, and other purposes. The land historically irrigated by the ditch shares is now being developed into a residential and commercial community, including two golf courses amidst a system of wetlands and lakes.



Martin and Wood personnel conducted a valuation of ditch shares to determine their current market value. This project consisted of researching recent sales of ditch shares on the Cache La Poudre River and other comparable ditches in the nearby area from interviews with water brokers, municipal entities, ditch companies, and published sources. The sales information was then converted to price per acre-foot of consumptive use, which Martin and

Wood believes is usually the common denominator in comparing ditch share values. Values of consumptive use per share were obtained from various Water Court decrees and applications, engineering reports, or from interviews. Other variables, such as the priority of the ditch right, dependability of supply, general water quality, average yearly yield, and storage availability were also considered in the final ditch share valuation.

Bijou Springs Ranch

The Bijou Springs Ranch, located east of Colorado Springs, overlies substantial volumes of ground water contained in the Denver Basin nontributary and not-nontributary aquifers. Martin and Wood developed an opinion of value of the water and assisted in assessing the potential market for sale of the water, for use either on or off the property.

The project first required Martin and Wood to make determinations as to the actual volumes of water present in each aquifer and what the status of such water (nontributary or not-

nontributary) would be. Martin and Wood estimated that greater than 17,000 acre-feet per year was available from the approximately 15,000-acre property. Through a process involving review of the in-house water transaction database, interviews with persons directly involved in the marketing and sale of water in the general area, reviews of recent transactions, and the application of experiential knowledge, Martin and Wood developed opinions of value for the water under differing bases and by applying a variety of methodologies to the determination of potential values.

Martin and Wood Water Consultants, Inc.

602 Park Point Drive, Suite 275 • Golden, CO 80401 • Phone: (303)526-2600 • Fax: (303)526-2624

