**WATER ASSET MANAGEMENT’S RESPONSES PROVIDED ON SUNDAY, SEPT. 6, 2020 VIA EMAIL**

**How does WAM make the kind of returns typically sought by hedge fund investors while keeping WAM’s agricultural operations in production?**

WAM’s farmland investments are not made through a hedge fund. Our public and private investors alike are committed long term investors who seek the stability that comes from owning real assets like prime farmland with reliable water resources; especially in these highly uncertain times.

As I believe you know WAM owns and manages farmland throughout the Southwestern United States. We focus on investing in farms with reliable water rights that have significant opportunities to become more efficient from both an agricultural production and a water management perspective. We create scale at the farming level by 1) identifying viable agricultural economies, 2) investing in farm properties and assembling holdings of approximately 2,000 acres or more, 3) identifying opportunities to create sustainable businesses around those assets, 4) advocating for rotational fallowing programs in order to conserve water, enhance agricultural activity, and improve soil health.  As such, we believe in Colorado’s Western Slope and plan to maintain all our properties in the Grand Valley as operational farms.

**If a demand management market is set up by Colorado and the Upper Colorado River Commission, should it be a free market with multiple buyers or a guided market with a single buyer? Does WAM want to see Front Range utilities bidding against each other to fallow land?**

The details of a demand management program are not up to us to decide. We applaud the efforts of the state of Colorado to develop a demand management program that will benefit agricultural producers consistent with Colorado law.

**Should there be limits on the number of acres or percentage of irrigated land fallowed under such a program in any one project, i.e. the GVWUA or the UVWUA?**

The details of a demand management program are not up to us to decide. We applaud the efforts of the state of Colorado to develop a demand management program that will benefit agricultural producers consistent with Colorado law.

**If no demand management market is approved in the State of Colorado, what will WAM do with its investment portfolio?**

We invest in the Grand Valley for a variety of reasons, chief among them is our belief in the continued long-term success and growth of the Grand Valley as an economic hub for Colorado.  We currently manage investments in other geographies without demand management programs and will continue to manage all of our portfolio independent of any program.

**Will you be willing to engage in fallowing if you are paid to do so by Lower Basin States? Should this be allowed in Colorado? Can Colorado do anything to stop this?**

It is well known that inter-basin water transfers from the Upper Colorado River Basin to the Lower Colorado River Basin are prohibited.  As I previously mentioned our Colorado River policy advisor, James Eklund, is available to share his perspective on this and other hypothetical “what ifs” as a Colorado River expert.

**Will you directly contract with Front Range municipalities to provide water resources or augmentation water in the event of a call?**

We encourage the state of Colorado and the Upper Division States to operate and negotiate in a manner that avoids a compact call. In the event there is a compact call, we will comply with the orders of the State Engineer.

**Why should long time community members trust investment operations such as WAM and what can we do to increase trust?**

In our experience, trust is not given, it is earned.  At WAM our core operating principals, with all our local farming partners and neighbors are transparency and collaboration.   As newcomers to the community, WAM understands the importance of acting in an honest and professional manner. Consequently, we believe our actions and our investments are indicative of our commitment to the Western Slope community and we look forward to continued collaborative work with our neighbors in the years to come.