

Busterback Ranch: Valuing Water Rights in a Scenic Easement Area

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Introduction

Migrating Pacific Ocean salmon and steelhead must pass three hydroelectric dams in the Columbia River, and travel over 600 miles to an elevation of 7,200 feet to reach their spawning grounds in the headwaters of the Salmon River. In the Stanley Basin of central Idaho, the use of the stream not far from the source springs is the subject of much controversy. Irrigation water rights owned by the ranchers allow diversion of essentially all of the stream, resulting in a deleterious effect on the water flow needed to sustain the annual migration.

The Bonneville Power Administration Department of Fish and Wildlife determined that this ecosystem would be substantially enhanced if the summer stream flow were maintained near its natural level during the critical spawning period. The diversion of irrigation waters for ranching purposes on this fragile run of the river was limiting the anadromous fish migration and quality of the spawning beds. A proposal was made to the owner of the Busterback Ranch to buy a portion of the water rights at market value. An agreement would result if the funds from the sale would cover the cost of a pivot sprinkler system and the remaining water rights fulfill the reduced water requirement under sprinkler irrigation. The purchased water

would remain in the river to maintain a minimal flow.

Water rights are not sold separately in the basin and no reasonable comparison can be made with sales in outlying regions, such as the Snake River plains. A special-use "before" and "after" approach was the only practical solution. During the past decade, the entire market area had been subjected to a "before" and "after" influence as scenic easements were acquired throughout. The recreation market had nearly collapsed before the market's perception of values with scenic easements in place was well documented. The problems, costs, and operating feasibility of a sprinkler operation on a hay ranch susceptible

to frosts through the grazing season were questionable.

Appraising the value of water rights brought forth unusual features with their attendant problems. The magnificence of the Sawtooth Mountains forming a backdrop for this wide, high mountain valley has been recognized with the establishment of the Sawtooth National Recreation Area (SNRA). The Busterback Ranch onto which the Salmon River irrigation waters are diverted is much larger than typical ranches in the Basin, and is both a working cattle ranch and a summer and winter dude ranch. The recent market was limited, which required that less comparable sales than normally acceptable be dissected to reveal motivations that could be matched. The water rights involved in this situation had five different decree dates and are incorporated into operations dependent on flow cutoff dates.

Description

Neighborhood. Stanley Basin is a wide, scenic high mountain valley of the upper reaches of the Salmon River. It is flanked by the spectacularly glacial high mountains of the Sawtooth Range rising directly from the valley floor. Across the pass overlooking the headwaters is the Sun Valley district. Four recreation lakes nestle into the foothills, and numerous glacial lakes pocket the upper levels of the surrounding mountains.

About 100 hardy souls occupy the two villages situated at each end of the valley.



Sawtooth Range backdrops the ranch.

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Services are provided for the summer vacationers and ranchers, with limited accommodations for winter cross-country skiers and snowmobilers. The severe climate limits winter activities. Private land ownerships range from various size building lots up to several hundred acres and a few exceptionally large ranches. Scenic easements essentially limit vacation homes, except for one subdivision, to thinly dispersed homesites of several hundred acres each.

Ranch. Busterback Ranch is at the upper end of the basin and reaches across the bottomlands of the valley with its 2,282 acres of meadows and hayfields. The Salmon River, only a stream here, and its joining tributary, Alturas Lake Creek, flow for four miles through the wide level hayfields. Paralleling the river through the ranch is Scenic Highway 75, providing excellent but distant access to the communities of southern Idaho.

Carrying Capacity. The high elevation and rock faces of the mountains rising from the valley floor preclude outside grazing permits. Other than a few hundred acres of dry grazing at the farmstead, the fields are entirely flood irrigated or subirrigated. The land is largely grass pasture and there is no hay cutting on this ranch. Some pastures are grazed from mid-May until mid-September, a four-month season. Grass pasture yields approximately 1.4 tons per acre, the equivalent of four animal unit months (AUMs) or one acre per cow for the season. Forage has a protein content of about 15%, a satisfactory but not a high protein feed. Because of irrigation management and such pastures not being particularly dependent on the weather, the yields are consistent. Thus, the ranch can carry an equivalent of 1,700 cattle for a four-month grazing season—a 567-animal-unit (AU) carrying capacity.

Irrigation. Table 1 lists the water rights to be valued.

Before Valuation

Sales Data. Sawtooth National Recreation Area (SNRA) was established in the Stanley Basin of central Idaho in 1972. Acquisition of the large majority of scenic easements was completed in the 1970s. The area is administered by an office of the U.S. Forest Service, which continues to maintain property sales records and generously makes data available. Sufficient time has

passed to effect a reasonable value stabilization of the remaining rights of ownership in this isolated market.

The lack of available data during a time of low sales activity requires the use of

property sales of much more divergent features than usually practical. Vistas of the Sawtooth Range, often from a raised elevation, are the prestigious amenities of the SNRA. Angle views of the ends of the range



White Cloud Mountains flank east side of basin.



Busterback Ranch from above Galenz Pass.

TABLE 1
Busterback Water Rights

License No.	Permit	Priority Date	Amount	Source
*71-0059	71-C	1912	25.6 cfs.**	Salmon River
71-0061	71-C	8/30/33	40 cfs.	Salmon River
*71-0064	71-C	8/15/15	11.056 cfs.	Alturas Lake Creek
71-0066	71-C	7/1/30	10.75 cfs.	Alturas Lake Creek
71-0068	71-C	7/1/35	12.32 cfs.	Alturas Lake Creek
			Total:	99.726 cfs. or 4,986.3 miners inches*** or 2.185 miners inches per acre

* Water rights to be purchased.
** cfs.=cubic foot per second.
*** miners inch=1/50th or 1/40th of a cfs.