

RESOLUTION 2025-095
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING THE ONE WATER UTILITY LONG-TERM WATER
RENTAL POLICY

A. The City holds title to or otherwise has ownership interests in various water rights, water right decrees, shares in ditch and reservoir companies, and contractual rights to the delivery of water that are sources of supply of raw and untreated water (together, “Raw Water Interests”), many of which pertain to the One Water Utility, which includes a water utility (“Utility”).

B. The amount of water available under the Utility’s Raw Water Interests, at certain times, may be greater than the immediate needs of the Utility and its ratepayers, and is thus potentially available for use by persons outside of the Utility as a rental.

C. Pursuant to Article XII, Section 4 of the City Charter, if at any time the water supply is greater than the immediate needs of the City and its inhabitants, the City Council may authorize the City Manager to permit the use of such surplus water by consumers outside the City at such rates as City Council may prescribe, provided that no vested right shall accrue under such permits.

D. Pursuant to Article XII, Section 6 of the City Charter, City Council shall by ordinance from time to time fix, establish, maintain, and provide for the collection of such rates, fees, or charges for water furnished by the City as will produce revenues sufficient to pay the cost of operation and maintenance of the City’s utilities in good repair and working order and to provide and maintain an adequate working capital fund for the day-to-day business operations of the utilities.

E. Currently, the Utility follows the long-standing practice of executing one-year rental agreements through City Council authorization when there are excess supplies. The authorization for these rentals and the rates is currently set by Council every three years (e.g., Ordinance No. 047, 2024).

F. The City desires to have the ability to provide long-term (greater than one year) rentals that could benefit the City, the Utility, and region. Utility staff have developed a One Water Utility Long-term Water Rental Policy (the “Policy”), attached as Exhibit A.

G. The Policy provides guidance for the consideration and evaluation of long-term water rental requests including the entities or uses that the Utility would consider, as well as the terms and conditions that would be required in an agreement. Pursuant to the Policy, the City Charter, and City Code, any long-term rental agreement must be approved by Council prior to going into effect.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF

FORT COLLINS that City Council adopts the One Water Utility Long-term Water Rental Policy.

Passed and adopted on July 21, 2026.

Mayor

ATTEST:

City Clerk

Effective Date: July 21, 2026

Approving Attorney: Eric Potyondy

Exhibit: Exhibit A - One Water Utility Long-term Water Rental Policy