

ORDINANCE NO. 097, 2026
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AGREEMENT WITH CARGILL, INC., REGARDING EXCHANGING
11.5 ARTHUR IRRIGATION COMPANY SHARES FOR WATER
SUPPLY REQUIREMENT CREDIT

A. Cargill, Inc. ("Cargill") owns approximately 19.92 acres of land in Fort Collins (the "Cargill Land"). Cargill is a customer of the City Water Utility with several taps serving the Cargill Land. Cargill also irrigates portions of the Cargill Land with water (the "Arthur Share Water") attributed to 11.5 Shares of the Arthur Irrigation Company (the "Company").

B. The Arthur Share Water is delivered to the Cargill Land from the west via the Arthur Ditch, Sherwood Lateral, and an additional lateral ditch known as the "Cargill Lateral." The Cargill Lateral traverses the Bucking Horse Subdivision (the "Subdivision"). The Cargill Lateral has been piped through Subdivision since its development in the early 2000s which has continually caused flooding issues for residents of the subdivision due to water seepage from the lateral.

C. Cargill and the Sidehill Master Home Owner Association, Inc. (the "HOA") have been exploring ways to abandon the Cargill Lateral through the Subdivision. Such an agreement would require that Cargill is able to receive an alternative supply of water to offset the loss of the ability to deliver Arthur Share Water through the Cargill Lateral. To facilitate that separate agreement, Cargill and the HOA approached the City to see whether the City would be willing to accept the 11.5 Shares in exchange for Water Supply Requirement ("WSR") credits.

D. The City has evaluated the proposed exchange concept and negotiated the Agreement Between Cargill, Inc. and the City of Fort Collins Regarding Exchanging 11.5 Arthur Irrigation Company Shares for Water Supply Requirement Credit (the "Agreement"), a copy of which is attached hereto and incorporated herein by reference as Exhibit A.

E. City staff has recommended that the City execute the Agreement and, believes that, in the unique circumstances of this situation, the City's acquisition of the 11.5 Shares in exchange for WSR credits pursuant to the terms and conditions of this Agreement is beneficial to the City Water Utility and its ratepayers.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the City Manager is hereby authorized to execute the Agreement in the form of Exhibit A, attached hereto and incorporated by this reference, with such modifications and additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City or effectuate the purposes of this Ordinance.

Introduced, considered favorably on first reading on July 21, 2026, and approved on second reading for final passage on August 18, 2026.

Mayor

ATTEST:

City Clerk

Effective Date: August 28, 2026

Approving Attorney: Eric Potyondy

Exhibit: Exhibit A – Agreement Between Cargill, Inc. and the City of Fort Collins
Regarding Exchanging 11.5 Arthur Irrigation Company Shares for Water
Supply Requirement Credit