

Industrial Water Bank Termination

City Council| May 4, 2021



Background

- Industrial Water Bank created by Greeley City Council and Water Board Joint Resolution 52, 1998
- Set a water bank with a minimum balance of 500 acre feet
 - Minimum balance requirement evolved over time with subsequent resolutions
 - Managed as a separate supply from the rest of the City's water supply
- To be used to assist selected industrial users by providing competitively priced raw water



Industrial Water Bank Usage

- Customers who used Water Bank water
 - Leprino (~95% of allocated water)
 - Noble
 - State Farm
- Volume of Water Bank water unallocated ~ 800 acre feet



Need to Terminate

- Incompatible with the Terry Ranch agreement
 - Section 10.5.B states that Greeley's cash-in-lieu price must be at least \$30,000/acre foot in any year before December 31, 2099 or the date that Wingfoot transfers and assigns its last Raw Water Credit to a third party
 - Greeley would have to pay liquidated damages if cash-in-lieu was less than \$30,000/acre foot



Greeley's Raw Water Advantages

- Incentive priced raw water no longer needed
- Greeley has a water portfolio available for development
 - Some providers in the region are requiring wet water supplies
 - Requires developers to pay market prices
- Terry Ranch raw water credits
 - Priced at an amount lower than Greeley's cash-in-lieu, which is already lower than other Northern Colorado water providers



Recommendation

- Adopt a Joint City Council and Water and Sewer Board Resolution terminating the Industrial Water Bank
 - Water and Sewer Board adopted resolution at April 21, 2021 board meeting

