



# Water Rights Trade and Divestment

**Presented to Greeley City Council**

By Greeley Water & Sewer Department

March 15, 2022



# Trade Agreement Overview

## Longs Peak Dairy (LPD) provides Greeley

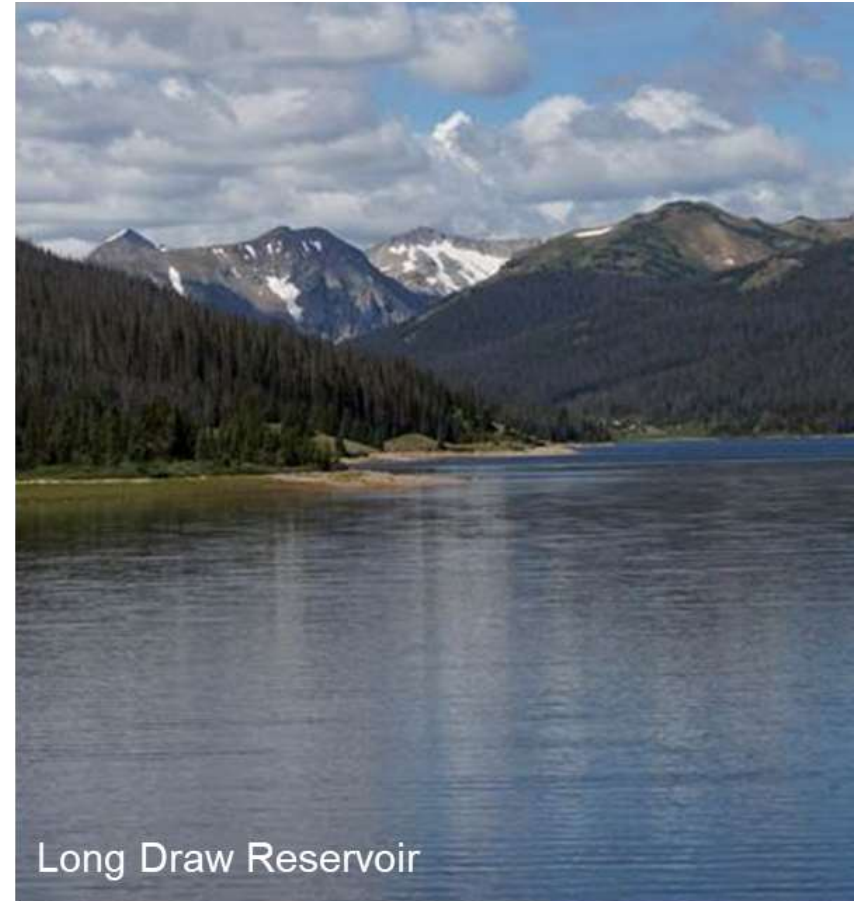
- 2 shares of Water Supply and Storage Company (WSSC)
- Associated lateral rights
- Dry-up and revegetation covenant
- Right of first refusal to 2 additional shares (replacement)

## Greeley provides LPD:

- 6 shares of Larimer and Weld Irrigation Company (LWIC)
- 12 shares of Windsor Reservoir and Canal Company (WRCC)
- Associated lateral rights
- Dry-up and revegetation covenants
- Long-term lease of WSSC shares

# Advantages of Trade

- WSSC shares are valued **>\$1.0 million more** than WRCC & LWIC shares
- WSSC prices have and are projected to **escalate faster** than WRCC & LWIC
- WSSC **includes trans-basin water** – can be reused
- WSSC is a **known quantity**; changing WRCC & LWIC to municipal use entails significant risk
- Trade increases amount of WSSC included in 2022 change case



# Disadvantage of Trade

- Yield of WSSC shares **could be less\*** (estimated 94 acre-feet) than WRCC & LWIC shares
  - “Yield” = amount of water that can be reliably delivered to City
  - Significant uncertainty in WRCC & LWIC yields
- Staff assessment: **advantages of trade outweigh disadvantage**
- Trade has been reviewed by city attorney and water counsel, and is mutually beneficial.
- The Dairy is expanding operations and needs additional irrigation water



# Recommended Action

**Staff recommends a motion to adopt the ordinance as presented for the trade and disposition of 12 shares of WRCC and 6 shares of LWIC**

At their January 19, 2022, the Greeley Water & Sewer Board approved the Agreement with LPD. In doing so, the Board recommended that City Council authorize the subject divestment to facilitate the trade.





Questions?

