

Council Agenda Summary

July 19, 2022

Key Staff Contact: Sean Chambers, Water & Sewer Director, 970-350-9815

Title:

Introduction and First Reading of an Ordinance authorizing Entry into an Intergovernmental Agreement Regarding Bellvue Water Transmission Line Tap Transfers and Emergency Water Interconnect Operations with West Fort Collins Water District and Divestment of City-Owned Water Rights represented by Shares of Capital Stock in the North Poudre Irrigation Company

Summary:

The City has long planned, budgeted and strategized on how to make an orderly transition of old outside city customers who have been receiving water off our Bellvue water transmission lines for decades. These transmission taps are a challenge for our operations as they are close to the WTP, a long way from our certified water distribution operators, and they are located on gravity driven pipelines that have significant seasonal fluctuations and periodic maintenance outages. It is difficult to provide such taps with consistent pressure and reliable service, and at times the obligation to serve them increases the complexity of major maintenance activities and costs the City money to ensure they continue to have clean safe water.

Over the past 18 months, Greeley staff and the W. Ft. Collins Water District (District) have been engaged in a discussion on transferring 35 taps from Greeley to the District, along with ample raw water represented by shares in the North Poudre Irrigation Company, and in exchange, the District would take on transferring the customers over, improving infrastructure to connect the properties as needed, and coordinating with the customers, all of which live within the District's service area. To offset costs and provide water supply resiliency to the City and the District, Greeley would agree to construct a municipal interconnect between the Greeley and District systems, to be located east of the Bellvue WTP.

The agreement obligates the City and the District to work in cooperation to manage risk, share certain reasonable project expenses and make the transition of transmission customers from Greeley to the District.

This is a capital project that the Water Enterprise budgeted for and considers a high priority for the continued public health of all customers, and for the best-practice operation of our water treatment and transmission infrastructure.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial, or, onetime impact?	NA
What is the annual impact?	< \$550K

What fund of the City will provide Funding?	Water Operating Fund
What is the source of revenue within the fund?	Water Rates
Is there grant funding for this item?	No
If yes, does this grant require a match?	N/A
Is this grant onetime or ongoing?	
Additional Comments:	The City will realize a significant cost advantage in the project defined by the IGA, utilizing a pump station acquired at value in 2020. The pump station's application and terms to transfer transmission main customers adds water system resiliency and public health security.

Legal Issues:

Section 3-5 of the Greeley City Charter and Section 2-461 of the Greeley Municipal Code authorize the City to enter into contracts with other governmental entities for the performance of cooperative or joint activities. Section 17-4(c) of the City Charter requires that any sale or exchange of water, including the exchange of water rights previously acquired by the Water and Sewer Department with enterprise funds, be approved by City Council. The divestment of water rights not being used or held for a governmental purpose may be authorized by ordinance. The City Attorney's Office has reviewed and approved the IGA and proposed ordinance as to legal form.

Other Issues and Considerations:

Strategic Work Program Item or Applicable Council Priority and Goal:

Infrastructure & Growth: Establish the capital and human infrastructure to support and maintain a safe, competitive, appealing and successful community.

Decision Options:

- 1) Adopt the ordinance as presented; or
- 2) Amend the ordinance and adopt as amended; or
- 3) Deny the ordinance; or
- 4) Continue consideration of the ordinance to a date certain.

Council's Recommended Action:

A motion to introduce the ordinance and schedule the public hearing and final reading for August 2, 2022.

Attachments:

Ordinance
Intergovernmental Agreement
Area Map
Presentation Slides