



Water Rights Trade and Divestment

Presented to Greeley City Council

By Greeley Water & Sewer Department

March 1, 2022



Trade Agreement Overview

Longs Peak Dairy (LPD) provides Greeley

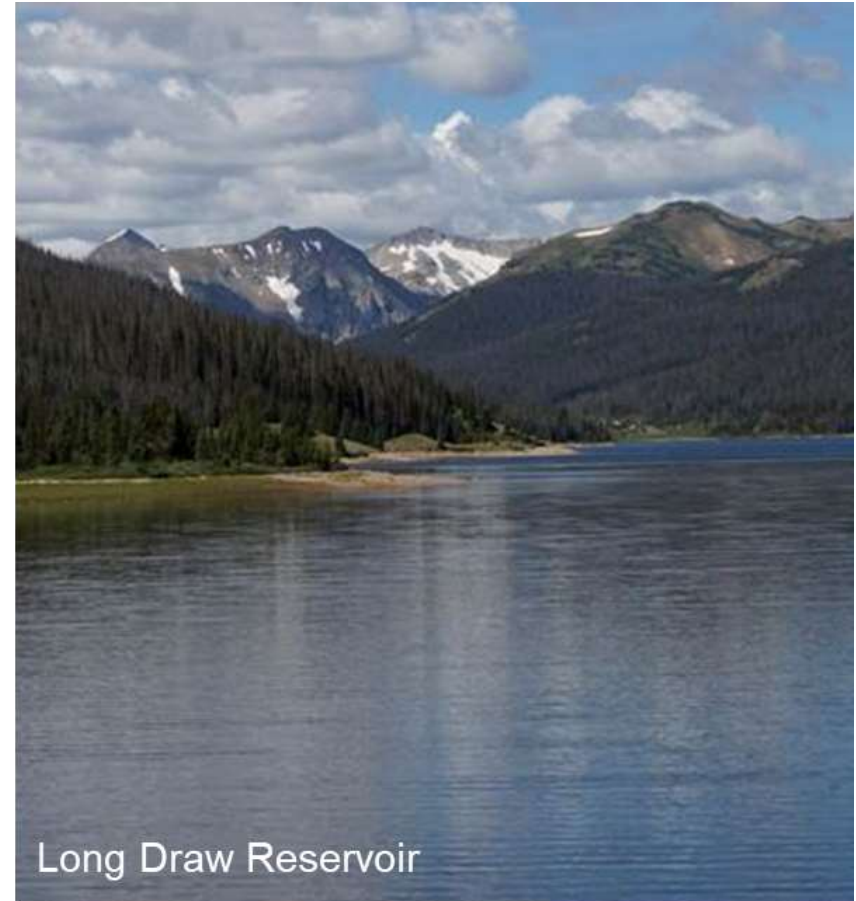
- 2 shares of Water Supply and Storage Company (WSSC)
- Associated lateral rights
- Dry-up and revegetation covenant
- Right of first refusal to 2 additional shares (replacement)

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 is estimated to be **94 acre-feet less** than WRCC & LWIC shares
 - “Yield” = amount of water that can be reliably delivered to City
 - Significant uncertainty in WRCC & LWIC yields
 - Assets have never been changed from agricultural to municipal use
 - Change cases set precedent
- Staff assessment: **advantages of trade outweigh disadvantage**

Recommendation

Staff recommends introducing the ordinance to the disposition of 12 shares of WRCC and 6 shares of LWIC and scheduling a public hearing and final reading for March 15, 2022

Note: 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 disposition of twelve shares of WRCC and six shares of LWIC.





Questions?

