

CITY OF GREELEY, COLORADO
ORDINANCE NO. __, 2022

AN ORDINANCE AUTHORIZING THE DIVESTMENT OF CITY-OWNED WATER RIGHTS REPRESENTED BY SHARES OF CAPITAL STOCK IN THE LARIMER AND WELD IRRIGATION COMPANY AND WINDSOR RESERVOIR AND CANAL COMPANY, AND ASSOCIATED LATERAL RIGHTS, IN EXCHANGE FOR WATER RIGHTS REPRESENTED BY SHARES OF CAPITAL STOCK IN THE WATER SUPPLY AND STORAGE COMPANY

WHEREAS, between 2012 and 2015 the City of Greeley, acting by and through its Water and Sewer Board, purchased six (6) shares of capital stock in the Larimer and Weld Irrigation Company (evidenced by Stock Certificate Nos. 6155 and 6251), twelve (12) shares of capital stock in the Windsor Reservoir and Canal Company (evidenced by Stock Certificate Nos. 577, 662, 667, and 700), one (1) share of stock in the Roullard Lateral Company (evidenced by Stock Certificate No. 406), and eight (8) shares of stock in the Owl Creek Supply and Irrigation Company (evidenced by Stock Certificate No. 1900) (collectively "LWIC and WRCC Water Rights"); and

WHEREAS, since acquiring the LWIC and WRCC Water Rights, the City has leased the water rights back to tenant farmers for agricultural irrigation in order to maintain the historical use of the water rights; and

WHEREAS, the City recently received an offer to trade the LWIC and WRCC Water Rights for certain water rights represented by two (2) shares of stock in the Water Supply and Storage Company ("WSSC Water Rights"), as is described more particularly in the Water Rights Trade Agreement and exhibits attached hereto as Exhibit A ("Water Rights Trade Agreement"); and

WHEREAS, WSSC Water Rights offer several advantages over LWIC and WRCC Water Rights, including, among other benefits, higher monetary value, a large component of wholly consumable and reusable transbasin water, and proven ability to be changed to municipal use in Water Court; and

WHEREAS, Section 17-4(c) of the Charter for the City of Greeley 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; and

WHEREAS, the City Council may authorize by ordinance the divestment of water rights that are not being used or held for a governmental purpose; and

WHEREAS, the Water and Sewer Board on January 19, 2022 made a finding that the LWIC and WRCC Water Rights are not currently being used or held for a governmental purpose, approved the Water Rights Trade Agreement, and recommended the same action to City Council; and

WHEREAS, the City Council has determined that a trade of the LWIC and WRCC Water Rights for the WSSC Water Rights, as is described more particularly in the Water Rights Trade Agreement, is in the best interests of the citizens of the City of Greeley.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF GREELEY, COLORADO:

Section 1. The City Council finds that the LWIC and WRCC Water Rights are not being used or held for a governmental purpose, and are surplus property unnecessary to retain for any governmental purpose.

Section 2. The City Council authorizes the divestment of the LWIC and WRCC Water Rights, in accordance with the terms and conditions of the Water Rights Trade Agreement and exhibits attached hereto as Exhibit A.

Section 3. The City Council authorizes the Director of the Water and Sewer Department, or his designee, to make minor amendments to the Water Rights Trade Agreement and exhibits, including, but not limited to, corrections to property descriptions and contract extensions.

Section 4. Upon the satisfaction of all contract terms and conditions, including any amendments made thereto, the City Council authorizes (i) the Mayor to execute a deed conveying the LWIC and WRCC Water Rights, (ii) the Director of the Water and Sewer Department, or his designee, to execute all other documents necessary to complete the transaction contemplated by the Water Rights Trade Agreement, and (iii) the Director of the Water and Sewer Department, or his designee, to undertake all other necessary and appropriate action to complete the transaction.

Section 5. This Ordinance shall take effect immediately after its final publication.

PASSED AND ADOPTED, SIGNED AND APPROVED ON THIS ____ DAY OF MARCH 2022.

ATTEST

CITY OF GREELEY, COLORADO

Interim City Clerk

Mayor