

Council Agenda Summary

March 2, 2021

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

Title:

Public hearing and final reading of an ordinance amending Chapter 6, Title 14 of the Code of the City of Greeley concerning the dedication of raw water for city water service

Summary:

The City Greeley requires that developers dedicate certain water rights or make cash payments to the city in order to receive City water service ("Raw Water Dedication"). The proposed ordinance would amend Chapter 14.06 of the Municipal Code to both consolidate and revise Raw Water Dedication policies.

Raw Water Dedication policies are primarily located in the City of Greeley Municipal Code, but are also contained in several resolutions of the Greeley Water & Sewer Board. The Water & Sewer Department desires to consolidate all policies into Municipal Code to provide developers and staff a single point of reference.

In addition, three revisions to Raw Water Dedication policies are proposed. The first revision is necessitated by the Amended and Restated Master Purchase, Sale and Raw Water Credit Administration Agreement, effective as of June 23, 2020, ("Master Agreement") for the purchase of groundwater rights, groundwater storage, and appurtenances contemplated by the Terry Ranch Project. The Master Agreement creates Raw Water Credits ("Credits") redeemable to meet Greeley's Raw Water Dedication requirements. A code revision is required to allow dedication of Credits and is a condition of closing on the Terry Ranch Project.

The two additional revisions codify graduated raw water requirements for landscaping associated with commercial and multi-family developments, and clarify that Raw Water Dedication for large parcel, single family developments is required for the developed portion of the lot.

This ordinance was introduced at the February 16, 2021 Council meeting.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial, or, onetime impact?	N/A
What is the annual impact?	Development dependent
What fund of the City will provide Funding?	N/A
What is the source of revenue within the fund?	N/A

Is there grant funding for this item?	No
If yes, does this grant require a match?	N/A
Is this grant onetime or ongoing?	N/A
Additional Comments:	Acceptance of Raw Water Dedication Credits will reduce collection of revenue via cash-in-lieu fees paid for Raw Water Dedication for new City water service. Future cash-in-lieu revenue depends on the pace of development, future cash-in-lieu rates, and rate of sale and use of Raw Water Credits.

Legal Issues:

The City Attorney's Office has reviewed the proposed ordinance. Consideration of this matter is a legislative process and a pre-closing condition of the Master Agreement which includes the following public hearing steps:

- 1) City staff presentation (if requested)
- 2) Council questions of staff
- 3) Public input (hearing opened, testimony - up to three minutes per person, hearing closed)
- 4) Council discussion
- 5) Council decision

Other Issues and Considerations:

The Terry Ranch Master Agreement prescribes certain defaults for changes to Raw Water Dedication policies that restrict redemption of Credits, specifically disadvantage Credits relative to other sources of dedication, or allow acceptance of a new water sources for dedication within 10-years following closing of the purchase. The terms ensure Greeley does not purposefully erode the value of the Credits held by Credit-holders. Consolidating policies in Municipal Code ensures adequate notice of potential changes to Raw Water Dedication policies.

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 adopt the ordinance and publish with reference to title only.

Attachments:

Ordinance
Presentation