Proposed Municipal Code Revisions: Raw Water Dedication

February 16, 2021



Background

- Raw Water Dedication is payment in form of water rights or cash required to receive city water service
- Greeley's raw water dedication policies prescribe:
 - The amount of water required for specific development types
 - The sources of water or other means to meet dedication requirements
 - Process and procedures for dedication
- Proposed ordinance would both <u>revise</u> certain Raw Water
 Dedication policies and <u>consolidate</u> all policies to single source

Proposed Revisions

- Allow acceptance of Terry Ranch Raw Water Credits
- 2. Graduated requirements for landscaping in commercial and multi-family developments
- 3. Revised requirements for large parcel, single-family developments



A public hearing on the Terry Ranch Project will be held on March 2, 2012

Raw Water Credits

- Terry Ranch, if approved, will be purchased with Raw Water Credits rather than cash
 - Credits redeemable over the next 80 years to meet Greeley's (and only Greeley's) Raw Water Dedication requirements
 - 1 Credit = 1 acre-foot of dedication
 - 12,121 Credits issued
- Greeley will continue to accept useable water rights and cash-in-lieu of water rights
 - Greeley's cash-in-lieu rate should set price ceiling for Credits







Raw Water Credits

- Credits reduce future cash-in-lieu revenue, but
 - Greeley receives Terry Ranch assets and \$125 million in return
 - Seller (Wingfoot Water Resources) assumes all risk that development will occur to sell Credits
 - Reduces Greeley's financial risks
- Issuing Credits in no way gives control to seller
 - Greeley will <u>solely and perpetually own, control and operate</u> Terry Ranch and the rest of its water system

Graduated Landscaping Requirements



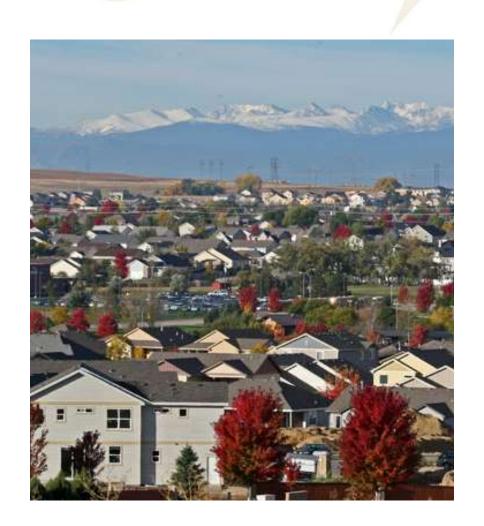
- Reduce Raw Water Dedication requirements for water-wise landscaping
- Commercial and multi-family developments only
- Included in commercial and multifamily Raw Water Dedication policy updates in 2019, but ultimately not incorporated in Code

Large-Parcel Lots

- Clarify that Raw Water
 Dedication required only for developed portion of lot
- Applies to single-family lots over 1 acre
- Aligns with 2019 policy updates



Proposed Consolidation



- Water dedication policies are currently contained in:
 - Chapter 14.06 of the City of Greeley Municipal Code
 - Water and Sewer Board resolutions
 - City Council adopted Master Plans and staff policies

Proposed Consolidation

- Best practice A single source of policies for developers and staff
- Policies that will be consolidated:
 - Municipal Code Chapter 14 Title 6
 - W&S Board Resolution 14, 2014 Dedication Requirements
 - W&S Board Resolution 2, 2016 Gross Area Calculation
 - W&S Board Resolution 1, 2019 Water Right Yields
 - W&S Board Resolution 3, 2020 Water Right Yields and Requirements
 - W&S Section 10.5 of Terry Ranch Master Agreement Raw Water Credits



Proposed Consolidation

Terry Ranch Master Agreement

- Greeley defaults if future policy changes no longer accept Credits, specifically disadvantage Credits, or accept new water sources within 10-years
- Term ensures Greeley does not purposefully erode Credit value
- Default/remedy structure required to not bind future City Councils
- Consolidation ensures adequate public notice



Questions?

