

Council Agenda Summary

February 16, 2021

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

Title:

Introduction and first 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 or builders dedicate certain water rights or make cash-in-lieu of raw water dedication 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.

Three revisions to Raw Water Dedication policies are proposed. The first revision is necessitated by the Master Purchase, Sale and Raw Water Credit Administration Agreement ("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. A full public hearing on the Terry Ranch Project is scheduled to be held on March 2, 2021. The ordinance presented here does not authorize closing of the purchase, but rather is the first reading of an ordinance authorizing the acceptance of Credits.

The other two 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 only required for the developed portion of the lot.

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. The Credits are, however, the mechanism for acquiring the Terry Ranch Project water and storage assets. 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:

This is a legislative matter as well as a pre-closing condition of the Terry Ranch Master Purchase, Sale and Raw Water Credit Administration Agreement. The City Attorney's Office has reviewed the proposed ordinance.

Other Issues and Considerations:

The Terry Ranch Master Purchase, Sale and Raw Water Credit Administration Agreement prescribes certain defaults for changes to the city's Raw Water Dedication policies, if those changes restricted the redemption of Credits, specifically disadvantage Credits relative to other sources of dedication, or if the city were to authorize the acceptance of a new water sources for dedication within the first 10-years following closing of the Terry Ranch 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 and tracking 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) Introduce the ordinance as presented; or
- 2) Amend the ordinance and introduce as amended; or
- 3) Deny the introduction of 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 March 2, 2021.

Attachments:

Proposed Ordinance
Presentation