



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** February 7, 2022

**SUBJECT:** Request for Acceptance of the Dedication of 2.5 Shares Capital Stock in the Consolidated Hillsborough Ditch Company in Exchange for 150 AF Water Credits in the Platte Land and Water, LLC Water Bank Held by the Town of Johnstown

**ACTION PROPOSED:** Consider Authorization to Sign the Water Dedication and Water Bank Agreement to Provide Hillsborough Water Consisting of 2.5 Shares and Providing for 150 AF Water Credit

**ATTACHMENTS:** 1. Letter to Tim Walsh Dated September 29, 2021

**PRESENTED BY:** Matt LeCerf, Town Manager

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### AGENDA ITEM DESCRIPTION:

In September 2021, Council was presented in the informational packet with a letter which would accept 2.5 Shares of Hillsborough Water in exchange for 150 AF of water credit. This volume allocates 60 AF per share. A copy of this letter is attached. During the Council Meeting, there were no objections to this request and Council was generally supportive of this acceptance considering many factors. A key factor included the fact that the Town is currently preparing a change case for water and these shares would be included in that upcoming change case. The water acceptance request also proposed storage rights for water, but considering the Hillsborough does not currently have storage rights, it was recommended that the Town pass on this option.

While this offer and consideration is unique and outside of our normal course of action, Town Staff does not intend to provide for additional opportunities of this nature considering our current need to complete an updated operating agreement with the Home Supply Ditch Company. Notwithstanding this pending agreement with the Home Supply Company, the Town's Water Engineers also support acceptance of this water in this condition.

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There is a risk/reward for acceptance of these shares in this current condition. Following a change case, the actual yield provided in the decree may be more or less than the 60 AF per share allocated. If the yield is more, the Town would receive the benefit of the excess water yield. Conversely, if the yield was less, the entity dedicating the water would receive the benefit of the 60 AF of water per share. In the interim, the Town would backfill the water need until the decree is completed. In our portfolio of water, there is sufficient firm water yield to meet this demand.

Approval of this agenda item would authorize creation of the water bank and establish 150 AF of water credit for the developer to use pending approval of any Water Sewer Service Agreement. Generally, the Town Manager signs the establishment of Water Dedication and Water Bank. Since the water bank is being established with water our Town Code does not address, this item is presented to Council for formal consideration.

#### **LEGAL ADVICE:**

The Town Attorney reviewed the Water Dedication and Water Bank Agreement.

#### **FINANCIAL ADVICE:**

Not Applicable

**RECOMMENDED ACTION:** Authorize the Town Manager to sign the Water Bank Agreement and provide for 150 AF of water credit.

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#### **SUGGESTED MOTIONS:**

**For Approval:** I move to authorize the Town Manager to sign the Water Dedication and Water Bank Agreement Between the Town of Johnstown and Platte Land & Water LLC and provide for 150 AF water credit.

**For Denial:** I move to deny authorization for the Town Manager to sign the Water Dedication and Water Bank Agreement Between the Town of Johnstown and Platte Land & Water LLC and provide for 150 AF water credit.

***Reviewed and Approved for Presentation,***



Town Manager

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