



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: May 15, 2023

SUBJECT: First Amendment to Non-Potable Irrigation System Intergovernmental Agreement

ACTION PROPOSED: Consider the First Amendment to Non-Potable Irrigation System Intergovernmental Agreement

ATTACHMENTS:

1. First Amendment to Non-Potable Irrigation System Intergovernmental Agreement (IGA)
2. Non-Potable Irrigation System IGA
3. Non-Potable Operating Agreement
4. Amendment to Non-Potable Water Irrigation Agreement

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is a request is the First Amendment to Non-Potable Irrigation System Intergovernmental Agreement (Attachment 1). For some context to this request, the 2534/Johnstown Plaza commercial development was annexed in December 2000. As part of the planned commercial development, the property also had ownership in the Reorganized Farmers Ditch and 3 c.f.s. of #1 Priority water through a change case. This water was the basis for establishing a non-potable irrigation system which was authorized between the Town of Johnstown and the Thompson Crossing Metropolitan District No. 2 in 2006 (Attachment 2).

The operations and maintenance of the non-potable irrigation system have been delegated to the 2534 Master Association (“Association”) based on an agreement in 2016 and an amendment in 2021 approved by Town Council (Attachments 3 & 4).

As part of site plan approvals by the Town in the 2534/Johnstown Plaza development, there includes an allocation of the non-potable water system for irrigation purposes for each project. Rates for the 2534/Johnstown Plaza non-potable irrigation system are set at the published rate of

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the Town of Johnstown's non-potable water. Recently there have been water users who have exceeded their annual allocation. To try and curtail this usage, the District is requesting the ability to assess a surcharge onto the non-potable user who exceeds their allocation. The surcharge being requested is \$10.00 for everyone thousand (1,000) gallons of overage during the 2023 calendar year. Additionally, the agreement provides for an annual increase of 5% and the District shall notify the Town in writing upon any increase. After the initial 5-year period of this agreement and the assessment of a non-potable water surcharge, the Town may require renegotiation of this surcharge and if a resolution cannot be determined, then the fee shall remain at the current rate. If the end user does not exceed their allocation, the fee would not be applicable.

LEGAL ADVICE:

The Town Attorney administered drafting of the document with District's Counsel.

FINANCIAL ADVICE:

NA

RECOMMENDED ACTION: Staff supports approval of the First Amendment to the IGA authorizing the assessment of a surcharge to encourage responsible water usage.

SUGGESTED MOTIONS:

For Approval: I move to approve the First Amendment to Non-Potable Irrigation System Intergovernmental Agreement as presented.

For Denial: I move to deny the First Amendment to Non-Potable Irrigation System Intergovernmental Agreement as presented.

Reviewed and Approved for Presentation,



Town Manager