



**TOWN BOARD WORK SESSION MEETING**  
July 25, 2016 – 5:30 P.M.  
301 Walnut Street, First Floor Conference Room  
Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

***GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.***

***Members of the Public in attendance are asked to be recognized by the Mayor before participating in any discussions of the Town Board.***

**AGENDA**

1. Greeley Loveland Irrigation Company Water Conversion & City of Greeley-Windsor IGA
2. Future Meetings Agenda



## MEMORANDUM

**Date:** July 25, 2016  
**To:** Mayor and Town Board  
**From:** Kelly Arnold, Ian McCargar, Dennis Wagner  
**Re:** Greeley-Loveland Irrigation Company Water Shares

### **Background / Discussion:**

Eight months ago, Town staff was approached by Martin Lind and his development team about the concept of using historical water rights used in the South Hill and Raindance development areas instead of Colorado Big Thompson (CBT) water rights. The historical water rights are represented by shares in the Greeley-Loveland Irrigation Company (GLIC), a mutual irrigation company. Mr. Lind and his team were directed to the City of Greeley to determine the validity of this concept since Greeley treats GLIC for its use and GLIC water is treated for some municipal customers by Greeley at the Boyd Lake treatment facility. Greeley responded positively to this concept and agreed they would treat the GLIC water pursuant to the terms of our IGA if it was legally converted to municipal use. This water court process is referred to as a “change of use case”.

For the past four months, Town staff, Town water attorney, and Town water engineer have been considering the viability of accepting GLIC as a Windsor municipal water source. Currently it is not a source approved for dedication under our Water Master Plan, and the Town has not accepted dedication of any GLIC shares. We have invested time and a couple thousand dollars the past few months to conclude that, if authorized by the Town Board, GLIC could become an acceptable alternative source of water to help serve the South Hill and Raindance areas. These shares can be treated only by Greeley at its Boyd Lake facility, instead of CBT that is treated by all three of our current water treatment providers.

Town staff recommends that the Town Board authorize negotiation of an agreement with Martin Lind to accept GLIC shares. The negotiation points should include:

- All costs of the change of use case be borne by the developer; the developer has agreed to this point and all parties recognize that a final change of use decision may not be reached by the court for at least three years.
- Windsor Water Attorney will be the lead attorney since it will be the Town of Windsor that will be filing the change of use case.
- That all parties agree that it may take up to four to five months to finalize agreements to initiate the change of use case, and could take 18-36 months for a court order decreeing the change.
- Finalize determination on the maximum number of GLIC shares that will be accepted by the Town. The developer is suggesting that the initial quantity of 14 shares is only a

start, and dedication of additional shares of GLIC and other companies that are part of the GLIC System should be considered.

- During the interim period of GLIC change of use case being finalized both parties will agree to how/what water will be delivered to South Hill and Raindance subdivisions.

Current Water Shares Policy and Water Treatment Agreements

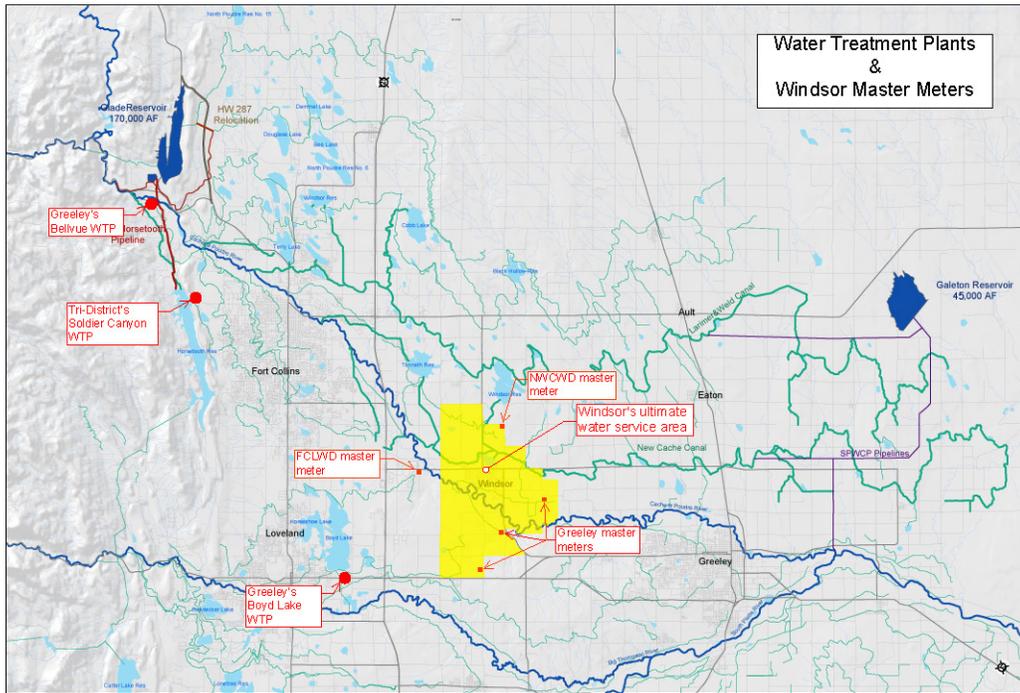
Currently the Town has direct ownership of 3,701 CBT units and indirect ownership of 1,713 CBT units through its 428.25 shares in the North Poudre Irrigation Company (NPIC). The Town of Windsor Potable Water Master Plan is the document that was adopted by the Town Board in 2009 and guides the current water shares that are purchased or accepted for dedication to be used by the Town of Windsor for potable water purposes. The following Table 9.1 and narrative were copied from the Potable Water Master Plan that outlines the recommended water shares.

**Table 9.1 – Target Water Portfolio**

Water Supply	Target Ownership
CBT or NPIC	6043 CBT units
NISP	3300 ac-ft
WSSC/Windy Gap/Other Supplies	7998 ac-ft

*In this plan, in addition to NPIC and CBT, we have recommended the Town acquire Windy Gap and WSSC. However, there is likely not enough available supply in these two systems to meet the entire 7,998 ac-ft needed at build-out. Additional sources will need to be considered as the Town grows. The Town has been proactive in its water acquisition philosophy. The Town budgets funds to purchase water when good deals become available. Since the Town is “capped” and cannot purchase additional CBT in the open market, the Town should proactively acquire WSSC and NPIC as shares become available. The Town should initiate discussions with existing Windy Gap participants to see if any entity intends to reduce their level of participation. These water rights will work very well to meet the Town’s future potable water demand in addition to providing reusable water at the Town’s WWTP. As we move into the future, if the Town purchases or acquires through development more of a certain water right, this may ultimately reduce the number of other water rights needed. This will be monitored and managed as the Town moves forward.*

About 1/3 of Windsor’s water is treated by the City of Greeley. Greeley owns two treatment plants that are illustrated on the map below. The Bellvue Plant runs year around and the Boyd Lake Plant runs only during the summer to supplement the output of the Bellvue Plant.



Windsor annually transfers the necessary raw water rights to Greeley for treatment at their plants. As per the agreement signed in 1996, the amount of raw water needed is 30% more than is produced for delivery to Windsor. The 2016 cost for treatment by the city of Greeley is \$3.54 per thousand gallons.

About 18% of Windsor's water is treated by Fort Collins-Loveland Water District (FCLWD) and 50% is treated by North Weld County Water District (NWCWD). Those two districts cooperatively own the Soldier Canyon Water Treatment Plant along with East Larimer County Water District. The 2016 cost of treatment by FCLWD is \$3.38 per thousand and \$2.29 by NWCWD.

#### How GLIC Changes Windsor Water Policy and Treatment Agreement

The amount of water that a share of GLIC yields varies from year-to-year and is a function of the snowpack and rain. Originally intended for agricultural uses, GLIC shares must go through a change-of-use in water court in order to be used in a potable municipal water system. Some percentage of the water must be returned to the river so as to not harm historic downstream water rights. Preliminary information indicates that a share of GLIC can be expected to yield about 10 acre-feet per year for potable municipal use.

Unlike CBT water rights, that can be delivered and treated at any of the north front range treatment plants, GLIC water can only be treated at Greeley's Boyd Lake Plant. Adding GLIC shares to Windsor's water portfolio diversifies available raw water and at the same time carries a long-term commitment to treatment by the City of Greeley at Boyd Lake Treatment Plant.

Matters for Town Board Discussion and Direction

The following is a list of items that the Town Board should discuss and provide direction to staff.

Item #1: Consider accepting GLIC shares as an approved source of raw water dedication.

Item #2: If Town Board is interested in pursuing acceptance of GLIC, then staff needs authorization to negotiation of agreement for acquisition and change case. Staff will also use Town Water Attorney and Town Water Engineer (both outside resources) and that cost will be borne by the Town.

Item #3: The proposed schedule for next steps is:

- Negotiations (60 days)
- Draft Agreement for Town Board discussion (September)
- Town Board official action (October)
- Change of use pre-application analysis, document preparation
- File change of use case (December)

# WATER VALLEY LAND COMPANY PRESENTATION TO THE TOWN OF WINDSOR CONCERNING DEDICATION OF GREELEY LOVELAND IRRIGATION CO. (GLIC) WATER SHARES

Town of Windsor

Town Board Work Session

July 25, 2016 at 5:30pm



# WHY IS GLIC WATER NEEDED TO ALLOW GROWTH IN THE TOWN OF WINDSOR?

- ▶ Scarcity of Colorado-Big Thompson (CBT) Units

Total CBT Units = 310,000 (100%)

Total Existing Municipal and Domestic Units = 202,371 (65%)

Total Industrial and Multi-Purpose Units = 12,726 (4%)

Agricultural Units (which include Class D Ag=38,207 and Class C corporate=56,375\*) = 94,582 (31%)

Inactive Units = 321 (0.1%)

\* Many of the Class C units designated as Ag are already used for municipal purposes. 40,000 of these units are allotted to the North Poudre Irrigation Company and because 75% of North Poudre shares are owned by municipal entities (including Fort Collins, Greeley, and Tri-Districts); only 10,000 of those units are really allotted to agriculture. This effectively reduces the Ag units to 64,582 or 21%

# WINDSOR'S PURSUIT OF NATIVE WATER RIGHTS

**Native Water  $\equiv$  Water that originates in the South Platte River Basin**

\*Windsor has desired to pursue Poudre Basin Native Rights

\*\* GLIC shares are Big Thompson Basin native rights



# WHAT MUNICIPAL ENTITIES ACCEPT GLIC WATER FOR TAP DEDICATIONS?

- ▶ City of Greeley
- ▶ Town of Milliken
- ▶ City of Evans



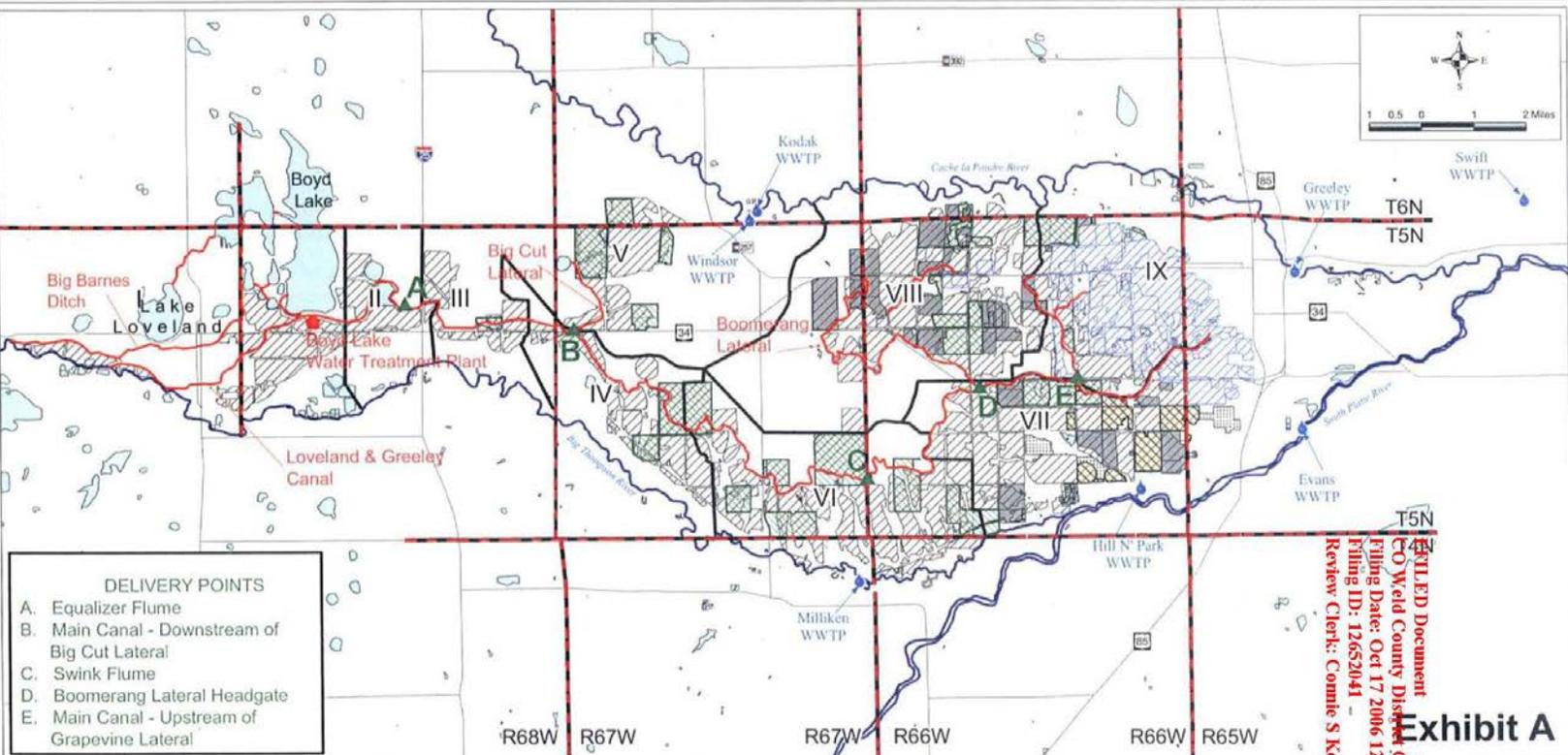
**Cumulative Dryup Under the Greeley-Loveland Irrigation Company System in City of Greeley Case Nos. 87CW329 95CW042, and 99CW235, and the City of Evans Case No. 96CW958**

- Total Dryup Lands Confirmed in Case No. 87CW329 to the City of Greeley (4670 acres)
- Additional Dryup Lands Dedicated by the City of Greeley in Case No. 95CW042 (2115 acres), as further described on page 2 hereof.
- Additional Dryup Lands Dedicated by the City of Greeley in Case No. 99CW235 (3171 acres) as further described on page 2 hereof.
- Historically Irrigated Lands
- Additional Dryup Lands Dedicated by the City of Evans in Case No. 96CW958 (821 acres), as further described on page 2 hereof.
- Pre 1969 Dryup lands (317 acres) confirmed in Case No. 96CW958 to the City of Evans.
- IV** Return Flow Sectors as set forth in Case No. 87CW329
- Waste Water Treatment Plant (WWTP)

Prepared by the City of Greeley - August 2006

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Map of GLIC System, including Return Flow Sectors and Lands Already Removed From Irrigation



- DELIVERY POINTS**
- A. Equalizer Flume
  - B. Main Canal - Downstream of Big Cut Lateral
  - C. Swink Flume
  - D. Boomerang Lateral Headgate
  - E. Main Canal - Upstream of Grapevine Lateral

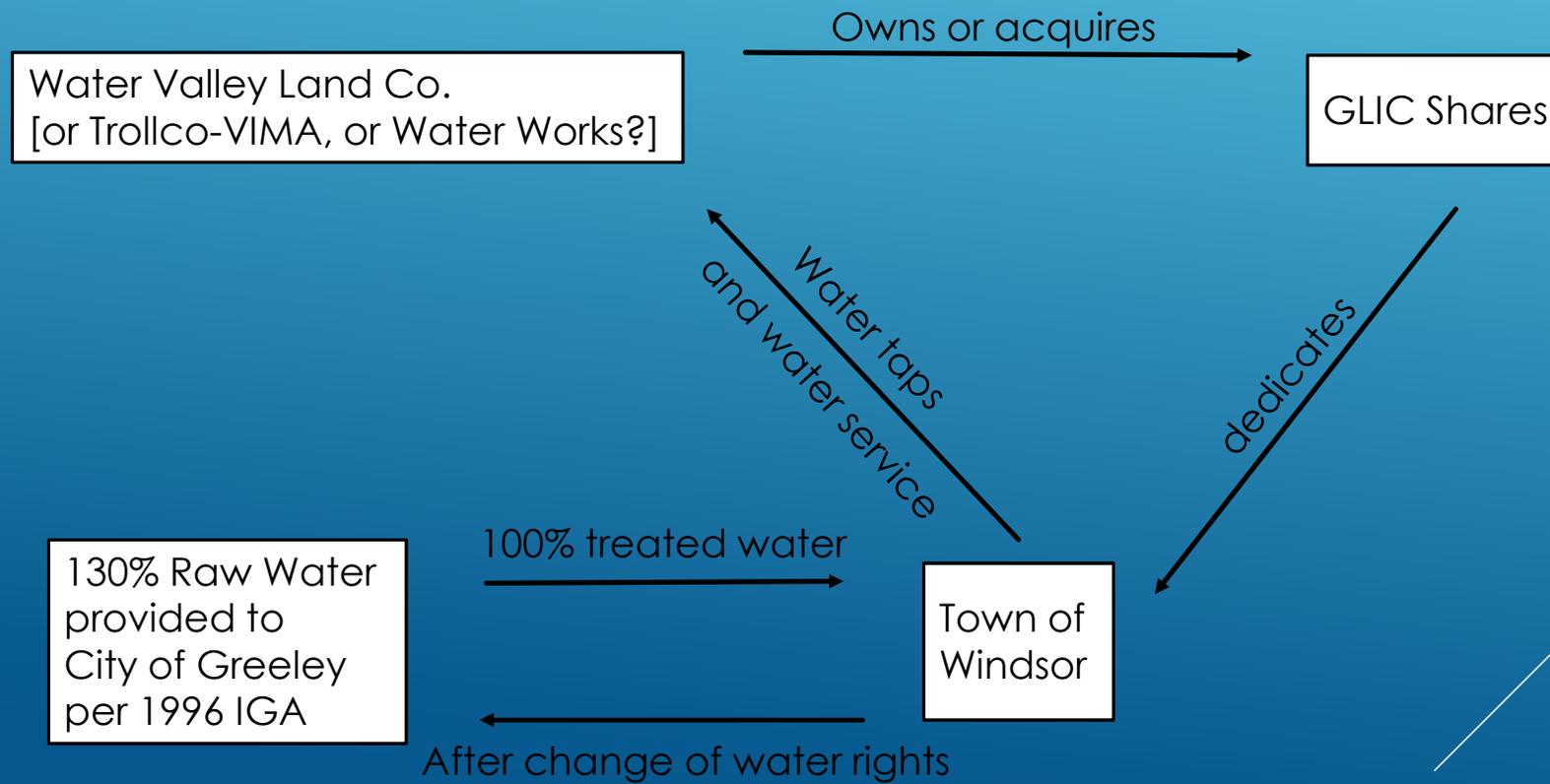
FILED Document  
 CO Weld County District Court 19th JD  
 Filing Date: Oct 17 2006 12:39PM MDT  
 Filing ID: 12652041  
 Review Clerk: Connie S. Koppes

**Exhibit A**





# HOW WILL CONVERSION OF GLIC SHARES TO WINDSOR MUNICIPAL USE WORK?





# INTENDED WATER USE BY WATER VALLEY



PROPERTY	UNITS*
Remaining WV South	162
Pelican Farms	202
Pelican Farms Multi-Family	216
Raindance	2800
The Ridge	34
The Farm	39
Tract F	275
Marina Plaza	150
Good Samaritan Independent Living	32

\*dwelling units include single & multi-family with demands per Town of Windsor

\*does not include commercial properties

\*all numbers are estimates based on current planned future development

## ESTIMATED FUTURE POTABLE WATER TAPS



- ▶ # of Shares to Convert:
  - ▶ 31.25 Greeley Loveland Irrigation Company
  - ▶ 10.75 Shares Lake Loveland
  - ▶ 1.5 Shares Seven Lakes Reservoir
- ▶ All shares are Owned today or under contract for purchase

## QUANTITY OF WATER



- ▶ Hypothetical Schedule

- ▶ Negotiations (60 days)
- ▶ Draft Agreement for Town Board discussion (September)
- ▶ Town Board official action (October)
- ▶ Change of use pre-application analysis, document preparation
- ▶ File change of use case (December)

## QUANTITY OF WATER

- ▶ All costs of the change of use case be borne by the developer; the developer has agreed to this point and all parties recognize that a final change of use decision may not be reached by the court for at least three years.
- ▶ Windsor Water Attorney will be the lead attorney since it will be the Town of Windsor that will be filing the change of use case
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- ▶ During the interim period of GLIC change of use case being finalized both parties will agree to how/what water will be delivered to South Hill and Raindance subdivisions

## TOWN STAFF RECOMMENDATIONS



- ▶ Consider accepting GLIC shares as an approved source of raw water dedication
- ▶ If Town Board is interested in pursuing acceptance of GLIC, then staff needs authorization to negotiation of agreement for acquisition and change case. Staff will also use Town Water Attorney and Town Water Engineer (both outside resources) and that cost will be borne by the Town.

## TOWN BOARD TASKS





## FUTURE TOWN BOARD MEETINGS

Work Sessions & Regular Meetings will be held in the Board Chambers unless otherwise noted.

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August 1, 2016 6:00 p.m.	Town Board Work Session Ballot Question Presentation - People for a Healthier Larimer County Municipal Judge appointment process Review of Sections 8-2-20 through 8-2-40 regarding parking prohibitions Liquor authority - administrative approval of applications
August 8, 2016 5:30 p.m./1 <sup>st</sup> floor conference room	Board/Manager/Attorney Monthly Meeting Retail Study Report
August 8, 2016 7:00 p.m.	Town Board Meeting
August 15, 2016 6:00 p.m.	Town Board Work Session 2017 Revenue and CIP discussion Public Works project update
August 22, 2016 6:00 p.m.	Town Board Work Session PVREA update
August 22, 2016 7:00 p.m.	Town Board Meeting
August 29, 2016	Fifth Monday
September 5, 2016 6:00 p.m.	Labor Day holiday
September 12, 2016 5:30 p.m./1 <sup>st</sup> floor conference room	Board/Manager/Attorney Monthly Meeting School District bond update (tentative)
September 12, 2016 7:00 p.m.	Town Board Meeting Kern Board Meeting
September 19, 2016 5:00 p.m./CRC	Town Board Work Session NISP work session and tour
September 26, 2016 6:00 p.m.	Town Board Work Session
September 26, 2016 7:00 p.m.	Town Board Meeting
October 3, 2016 6:00 p.m.	Town Board Work Session

October 10, 2016            Board/Manager/Attorney Monthly Meeting  
5:30 p.m./1<sup>st</sup> floor conference room

October 10, 2016            Town Board Meeting  
7:00 p.m.

October 17, 2016            Town Board Work Session  
6:00 p.m.

October 24, 2016            Town Board Work Session  
6:00 p.m.

October 24, 2016            Town Board Meeting  
7:00 p.m.

October 31, 2016            Fifth Monday

**Additional Events**

October 8, 2016            Town Board Budget work session

**Future Work Session Topics**

Continuation of Water Discussion  
Water Rights Dedication Policy  
Broadband discussion  
CIP Parks Master plan  
Economic Development Incentive Program review  
Review of current Internal Governmental Agreements  
Road Impact Fee review/update  
Code Update kick off – Chapter 15-17 code update