

ORDINANCE NO. 171, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING ARTICLE III OF CHAPTER 26
OF THE CODE OF THE CITY OF FORT COLLINS
TO ELIMINATE WATER RIGHTS BANKING
BY THE CITY'S WATER UTILITY

WHEREAS, Article III of Chapter 26 of the City Code establishes terms and conditions related to the operation of the City's Water Utility, including terms and conditions for water service and the rates, fees, charges and other requirements associated with obtaining, or increasing the level of, water service; and

WHEREAS, included among the requirements in Article III are provisions related to the delivery of water rights, or cash in-lieu of water rights, to the Water Utility in connection with new or increased water service (the "Raw Water Requirement"); and

WHEREAS, as part of that Article, City Code Section 26-150 provides that an owner of water rights may submit those rights to the Water Utility and obtain either credit or a City water certificate to document a transferable credit, both of which may be used to meet a future Raw Water Requirement, a practice referred to as "banking;" and

WHEREAS, while there has been benefit to the Water Utility in the past of banking water rights, the continued unlimited acceptance of water rights as a credit for future, unspecified use transfers the financial obligation of water right ownership without any significant benefit to existing rate payers and interferes with the ability of the Water Utility to make changes to its raw water practices as it relates to managing its water supply; and

WHEREAS, banking of water rights results in an increased cost to the Water Utility because the Water Utility becomes responsible for irrigation company annual assessments and other costs associated with banked shares; and

WHEREAS, the elimination of water rights banking will not affect the Raw Water Requirement that applies to new and increased water service; and

WHEREAS, the City Manager and staff have recommended to the City Council that City Code Section 26-150 be amended to eliminate the banking of water rights; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend City Code Section 26-150 as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that subsection (b) of Section 26-150 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-150. Raw water requirements; satisfaction.

...

(b) The satisfaction of the minimum RWR shall be made no later than the time of issuance of the water service permit. An owner of water rights or City-issued water certificates may submit acceptable water rights and/or City-issued water certificates to the City, ~~whether or not~~ together with an application for a water service permit ~~is pending~~, and will be credited accordingly for raw water value. ~~Such credit may then be used~~ to satisfy, in whole or in part, assessed RWR on ~~subsequent such~~ application for a water service permit. ~~Upon request, the City will convert such credit into a City water certificate in any desired amount not to exceed the amount of credit being carried by the City and issue such certificate to the owner.~~ Once the ~~credits~~ water rights or City-issued water certificate have been designated to satisfy the RWR for water service for a particular premises ~~in satisfaction of the RWR for water service~~, they shall not be transferred to another property.

...

Introduced and considered favorably on first reading, and ordered published this 3rd day of December, A.D. 2013, and to be presented for final passage on the 17th day of December, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 17th day of December, A.D. 2013.

Mayor

ATTEST:

City Clerk