

ORDINANCE NO. 092, 2025
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE WATER FUND TO
SUPPORT ACQUISITIONS OF WATER RIGHTS TO INCREASE YIELD,
RELIABILITY, AND RESILIENCY OF THE UTILITIES WATER SUPPLIES

A. The City owns and operates Fort Collins Utilities (“Utilities”), which includes a water utility that provides water service to customers in its service area. Demands in Utilities’ water service area are expected to grow in the coming decades.

B. Utilities plans for the acquisition of additional water rights to increase water supplies to meet these demands. Such additional water rights include shares in the North Poudre Irrigation Company (“NPIC Shares”). NPIC Shares include rights to Colorado-Big Thompson Project water stored in Horsetooth Reservoir. NPIC Shares will thus increase the yield, reliability, and resiliency of Utilities water supplies. Prices for NPIC Shares have been increasing, such that acquiring them sooner is prudent.

C. Utilities is also pursuing the Halligan Water Supply Project (“Halligan Project”), among other reasons, to meet future demands. The Halligan Project includes the enlargement of Halligan Reservoir on the North Fork of the Cache la Poudre River (“North Fork”). Utilities will deliver its water stored in the enlarged Halligan Reservoir down the North Fork and anticipates having flow obligations on the North Fork. Utilities is thus interested in reducing diversions from and increasing flows in the North Fork to assist Halligan Project operations, which will positively impact the yield, reliability, and resiliency from the Halligan Project to meet demands. The acquisition of the water right for the Chase Ditch, which diverts from the North Fork below Halligan Reservoir, is an opportunity to reduce diversions from and increase flows in the North Fork.

D. This appropriation benefits the public health, safety, and welfare of the residents of Fort Collins and serves the public purpose of increasing the yield, reliability, and resiliency of Utilities water supplies to meet future demands by acquiring shares in the North Poudre Irrigation Company and by acquiring the water right for the Chase Ditch.

E. Article V, Section 9 of the City Charter permits the City Council, upon the recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year from such revenues and funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

F. The City Manager has recommended the appropriation described herein and determined that the funds to be appropriated are available and previously unappropriated from the Water Fund and that this appropriation will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in this Fund during this fiscal year.

G. Article V, Section 11 of the City Charter authorizes the City Council to designate in the ordinance when appropriating funds for a capitalizable asset, that such appropriation shall not lapse at the end of the fiscal year in which the appropriation is made but continue through the life of the asset.

H. The City Council wishes to designate the appropriation herein for NPIC and Chase Ditch water rights purchases as an appropriation that shall not lapse.

In light of the foregoing Recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. There is hereby appropriated from prior year reserves in the Water Fund the sum of ONE MILLION FOUR HUNDRED NINETEEN THOUSAND NINETY-ONE DOLLARS (\$1,419,091) to be expended in the Water Fund for the purchases of shares in the North Poudre Irrigation Company and the water right in the Chase Ditch.

Section 2. The appropriation herein for the purchases of shares in the North Poudre Irrigation Company and the water right in the Chase Ditch are hereby designated, as authorized in Article V, Section 11 of the City Charter, as an appropriation that shall not lapse at the end of this fiscal year but through the life of the asset.

Introduced, considered favorably on first reading on June 3, 2025, and approved on second reading for final passage on June 17, 2025.

Mayor

ATTEST:

City Clerk

Effective Date: June 27, 2025
Approving Attorney: Eric Potyondy
Exhibits: None