

**PUBLIC WORKS DEPARTMENT  
MEMORANDUM #2013-30**

**DATE:** October 7, 2013  
**TO:** Honorable Mayor Joyce Downing and City Council Members  
**FROM:** John Pick, City Manager  
David Willett, Director of Public Works  
**SUBJECT:** Water Supply Update

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**BACKGROUND**

The City of Northglenn will need additional water rights to meet our future water demand created by growth and the eventual end of the Farmer's Reservoir and Irrigation Company (FRICO) agricultural exchange agreement. The City of Northglenn engaged CDM to develop our Integrated Resources Plan (IRP) which was completed on May 25, 2007.

According to the IRP, the city currently has 3580 AFY of firm yield water, without relying on the exchange (additional 800 AF) but our requirement is 7440 AFY. To meet the 7440 AFY, the IRP suggest the acquisition of approximately 3060 AFY (Section 4.3). The update below created by Tami Moon uses the current market rates, and the average yield.

**WATER RIGHTS MARKET**

1. **Farmers Reservoir and Irrigation Company (FRICO)**  
Average Yield/Share: 4.5 AF  
Number of shares needed: 680  
Market Price per Share: \$200,000  
Total Cost: \$136,000,000.00
2. **Church Ditch**  
Average Yield/Inch: 1 AF  
Number of inches needed: 3060  
Market Price per Inch: \$30,000  
Total Cost: \$91,800,000.00
3. **Farmers High Line Canal**  
Average Yield/Share: 30 AF  
Number of shares needed: 102  
Market Price per Share: \$350,000  
Total Cost: \$35,700,000.00

Please keep in mind that these costs are for the acquisition of water rights only. The reality is that we are not going to be able to meet our build out demands just through the purchase of water rights in the Clear Creek Basin (and the rights really aren't available). We will need to start looking outside of the Clear Creek basin and planning infrastructure that will move water from other basins to our facilities. The Water Resources Division deploys a water rights broker to seek out possible water purchases. Our water rights attorneys – Fischer, Brown, Bartlett & Gunn P.C. – perform due diligence on the right and determine the applicability to our system.

**STAFF REFERENCE**

David H. Willett, P.E., Director of Public Works

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