

WATER & SEWER BOARD AGENDA

Wednesday, May 16, 2018
2:00 p.m.

DISTRICT 6
ADMINISTRATION BUILDING
1025 9th Avenue
Greeley, CO 80631

1. Roll Call: _____ Chairman Harold Evans _____ Vice Chairman Mick Todd
 _____ Mr. Bob Ruyle _____ Mr. Fred Otis
 _____ Mr. Joe Murphy _____ Mr. Tony Miller
 _____ Mr. Manuel Sisneros _____ Mayor John Gates
 _____ Mr. Roy Otto _____ Mrs. Victoria Runkle
2. Approval of Minutes
3. Approval of and/or Additions to Agenda
4. Report: Annual Growth & Development Report by Community Development Department
5. Action: Approve Cash-in-Lieu Resolution
6. Action: Approve Glover Grazing Lease
7. Action: Approve and Confirm Recommendation of Approval to City Council of the Intergovernmental Agreement between the United States Fish and Wildlife and the City of Greeley
8. Report: Water Court Update
9. Legal Report
10. Executive Session
11. Action: Consideration of a Motion Designating Legal Counsel to the Board
12. Director's Report
 - Tri-City Dinner Reception
 - Resolution 3, 2015
13. Such Other Business That May Be Brought Before The Board and Added to This Agenda by Motion of the Board



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

**City of Greeley
Water and Sewer Board
Minutes of April 18, 2018
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, April 18, 2018.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Tony Miller, Manual Sisneros, Joe Murphy, Bob Ruyle, Mayor Gates, Vic Runkle and Roy Otto

Water and Sewer Department staff:

Water and Sewer Director Burt Knight, Deputy Director Sean Chambers, Business Manager Erik Dial, Water Resources Operations Manager John Thornhill, Water Rights Manager Jennifer Petrzelka, Water Resources Coordinator Chrissy Lutz, Office Manager Shannon Metcalf, and Senior Administrative Assistant Ettie Arnold

Legal Counsel:

Water and Sewer Board Counsel Jim Witwer, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer and Environmental and Water Resources Attorney Aaron Goldman

Other Guests: Citizens Jack Schneider, Ryan Woodland, Baessler Homes Jamie Baessler, HF2M Developer Max Moss, Laura Clark.

2. Approval of Minutes

Mr. Ruyle made a motion and Tony Miller seconded to approve the March 21, 2018 Water and Sewer Board meeting minutes as presented. The motion carried 7-0.

3. Approval of and/or Additions to Agenda

Agenda item 17, Board Member Miller to add announcement.

4. Report: Helveticka Update

Mr. Knight introduced Linda and CK Anderson of Helveticka. They presented Phase II of the Water Education Campaign. The campaign is designed to educate our residents regarding Greeley's historical leadership in the provision of water, and the development of water in Colorado.

5. Action: Approve Cash-in-Lieu

Cash-in-lieu is currently set at \$34,000 per acre-foot. The total average cost over the 36 month period from April 2015 through March 2018 was \$25,755 per C-BT unit or the equivalent of \$35,000 per acre-foot. Staff recommend to raise the price to \$35,000 per acre-foot.

Tony Miller made a motion to approve Cash-in-Lieu increase to \$35,000 per acre-foot, which was seconded by Vice Chairman Todd. The motion carried 7-0.

6. Report: Preliminary 2019 Budget

Mr. Knight explained that in 2015 an ordinance was adopted to define how the Water & Sewer department's budget is approved. Included within the ordinance is this opportunity for the Water and Sewer Board to provide its insight into the direction of Water and Sewer's work programs before the overall budget is developed. Staff will incorporate any Board comments into our presentation to City Council on May 15th.

Mr. Knight first reviewed the accomplishments from 2017. The 2017 accomplishments include: completing the 5 million gallon treated water tank, completing the northern segment of the Bellvue transmission line, starting construction for the replacement of a 20 MGD treatment train at Bellvue Water Treatment Plant, upgrading the SCADA system at Boyd Water Treatment Plant, completing the construction of Ashcroft Draw Sewer Phase 1 and the acquisition of 182 acre feet of water. Goals for 2018 include: Milton Seaman permitting (purpose and need statement as well as developing alternatives), continue working through design and legal issues for Windy Gap Firming, water treatment plant rehab, start constructing Ashcroft Draw Sewer Phase 2, and redesign North Greeley Sewer Phase 2.

Operating budget drivers for the 2018 budget include the continuation of the succession planning program and four new positions. Continued growth in the water and sewer systems has led to new staffing demands. The four positions being requested are: an Instrumentation and Controls Supervisor, a Water Resource Administrator 1, an Engineering Project Manager, and an Equipment Operator II for 2020. New capital projects include two water storage pits, a utility billing software update, and a new sewer line at 8th Avenue to expand capacity in downtown Greeley. The anticipated rate increase for a 2019 residential bill will be approximately 5%.

7. Action: Approve April Water Supply Update and Declaration Concerning Water Year

Mr. Thornhill explained that staff provides a report in April, July and November of each year on Greeley's water supply status. In April, the Board makes a declaration concerning the adequacy of the Water Year. He noted that projected storage is presently at 25,241 acre-feet, exceeding the target storage volume of 20,000 acre-feet. Water Year 2018 started with well below average snowpack in the South Platte basin through the middle of March. On April 1st, snowpack in the Cache la Poudre basin was 104% of average. Snowpack in the Colorado basin as of April 12th was 95% of average. Streamflow forecasts are expected to be at or slightly below average for 2018 (NRCS Streamflow forecast March 1st, 2018) for the Cache la Poudre and Big Thompson Basins.

The Greeley System Storage Analysis table for Water Year 2018 shows the April 2019 storage level will be approximately 25,000 acre-feet. Due to the exceptionally dry conditions on the plains and uncertainty with early snowpack runoff, Northern Water declared an 80% C-BT quota at its April 12th board meeting to satisfy demand for 2018 and possible increase the amount of rental water available to farmers from municipalities.

Mr. Miller made motion, seconded by Mr. Murphy to declare an adequate water year and authorize the Director of Water and Sewer, or his designee, to rent out available excess water supplies, so long as the target storage volume of 20,000 acre-feet is maintained. The motion carried 7-0.

8. Action: Approve and Recommend to City Council Resolution Regarding Watering Restrictions for Inside the City Single-Family Residential Customers on Water Budget Rates

Mr. Thornhill said that The City of Greeley citizens are currently subject to the three-day-per-week watering restrictions appropriate to an adequate water supply. The resolution is a recommendation of the Water and Sewer Board to the City Council that the three-day-per-week watering restrictions be removed for the duration of the 2018 irrigation season for inside the City single-family residential customers who are on water budget rates. He went on to explain that this provides flexibility for citizens as we implement the Water Budget. However, Staff still recommends that citizens continue to only water 3 days per week.

Vice Chairman Todd made motion, seconded by Mr. Otis, to adopt the presented resolution to recommend that City Council remove three-day-per-week watering restrictions for single-family residential customers on water budget rates for the duration of the 2018 irrigation season. The motion carried 7-0.

9. Report: Cache La Poudre Water Infrastructure Projects Update

Mr. Knight provided a status update on the following Cache La Poudre Water Infrastructures:

Northern Integrated Supply Project - Final Environmental Impact Statement to be Released June 2018

Halligan Reservoir Water Supply Project - Draft Environmental Impact Statement to be Released Fall 2018

City of Thornton Northern Water Delivery Project - Thornton Beginning 1041 Process began March 2017

Milton Seaman Water Supply Project: Report 1 - Purpose and Need, Alternative Development, and No-Action Alternative

10. Executive Session

At 3:40 p.m. Chairman Evans made a motion to move into executive session to address the following matters:

1. Purchase, acquisition, lease, transfer, or sale of property under C.R.S. § 24-6-402(4)(a) and Greeley Municipal Code 2.04.020(a)(1).
2. Conferences with an attorney for the purposes of receiving legal advice on specific legal questions under C.R.S. § 24-6-402(4)(b) and Greeley Municipal Code 2.04.020(a)(2).
3. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, as authorized by C.R.S. § 24-6-402(4)(e)(I) and Greeley Municipal Code 2.04.020(a)(5).

Chairman Evans identified the following topics for discussion:

1. Matters Related to MSWSP
2. Matters Related to Case 08CW175B
3. Matters Related to the Divestment of the Rodenberger Farm
4. Matters Related to the Divestment of the Danielson Farm

Vice Chairman Todd motion, Mr. Miller seconded the motion. The motion carried 7-0.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Bob Ruyle, Tony Miller, Manual Sisneros, Joe Murphy, Mayor John Gates, City Manager Roy Otto, Director of Finance Victoria Runkle, Director of Water and Sewer Burt Knight, Deputy Director Sean Chambers, Business Manager Erik Dial, Office Manager Shannon Metcalf, Senior Administrative Assistant Ettie Arnold, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer, Environmental and Water Resources Attorney Aaron Goldman, and Sewer Board Counsel Jim Witwer, and MSWSP Project Manager Mary Gearhart.

MSWSP Project Manager Mary Gearhart left at 4:00 p.m.
Business Manager Erik Dial left at 4:30 p.m.

Matters related to MSWSP and Case 08CW175B in this executive session were not recorded because they constituted attorney-client privileged communication.

The Executive Session ended at 4:40 p.m. and the regular meeting resumed.

11. Report: Cash-in-Lieu Transition

Mr. Dial summarized the Raw Water Strategy in the 2003 Water Master Plan that provided the basis for how Greeley has managed its water resources. Included in the strategy was the development of the Future Water Account that would be used to provide raw water for new development in Greeley after the available raw water in the growth area had been dedicated to the City. Given the limited remaining areas with associated water rights and the increasing demand and cost for Colorado-Big Thompson water, staff believes it is appropriate to transition to cash-in-lieu at this time. Staff presented a plan to transition to cash-in-lieu of Water Dedication Policy and sought Water and Sewer Board member feedback on the proposal. The components of the proposal that generated dialogue between staff and Board were the pricing of cash-in-lieu and the timing of cash-in-lieu payment. The Policy proposal contemplates cash-in-lieu being paid at the time of Building Permit along with Plant Investment Fees. A final proposal will be presented to the Board at a future meeting.

Resolution No. 14, 2014, a resolution stating the criteria for raw water dedication and payments of cash-in-lieu of raw water, was included for the Board's reference.

Mayor Gates left the meeting at 5:15.

12. Action: Approve and Recommend to City Council Divestment of Rodenberger Farm

Ms. Petrzelka stated that in 2007, the City of Greeley purchased property in Weld County commonly known as the Rodenberger Farm, along with 2.5 shares of the stock in the

Water Supply and Storage Company. Since that time, the City has leased the farm and the WSSC water rights to a tenant farmer in order to sustain historical use of the rights on that farm. The City recently received an offer to purchase the 143-acre parcel.

Mr. Murphy made motion to approve, seconded by Mr. Otis to authorize the sale of the Rodenberger farm, and to delegate authority to the Director of Water and Sewer to make minor amendments to the purchase and sale contract, including but not limited to amendments to property descriptions and contract extensions; and to amend the existing farm lease as needed in accordance with the final property description and that the Board recommend the same to City Council. The motion carried 7-0.

Roy Otto left the meeting at 5:20.

13. Action: Approve and Recommend to City Council Divestment of Danielson Farm

Ms. Petrzelka stated that in 2016, the City of Greeley purchased property in Weld County commonly known as the Danielson Farm, along with 3 shares of the stock in the Water Supply and Storage Company. Since that time, the City has leased the farm and the WSSC water rights to a tenant farmer in order to sustain historical use of the rights on that farm. The City recently received an offer to purchase the parcel.

Mr. Miller made motion to approve, seconded by Mr. Sisneros to authorize the sale of the Danielson Farm, and to delegate authority to the Director of Water and Sewer to make minor amendments to the purchase and sale contract, including but not limited to amendments to property descriptions and contract extensions; and to amend the existing farm lease as necessary and that the Board recommend the same to City Council. The motion carried 7-0.

14. Action: Approve Jim Witwer Appreciation Resolution

Mr. Knight presented a resolution acknowledging Mr. Witwer's 19 years of service providing dedicated legal counsel to the City of Greeley, its Water and Sewer Department, and the Water and Sewer Board. Chairman Evans made motion and seconded by Mr. Otis.

15. Legal Report

Staff and legal counsel recommended that Greeley enter a statement of opposition to the application recently filed by the Town of Windsor (Case No. 2018CW3042), Application to Change Water Rights represented by shares of stock in Greeley and Loveland Irrigation Company and Seven Lakes Reservoir Company, and rights to Loveland and Greeley Reservoir aka Lake Loveland. Greeley is an owner of Greeley-Loveland System water rights, and typically files a statement of opposition to ensure the inclusion of terms and conditions in any resulting decree to prevent injury to Greeley's interests. Mr. Ruyle

made motion and seconded by Mr. Murphy authorizing staff and legal counsel to enter the statement of opposition and resolve the issues of this case consistent with Resolution 3, 2015. The motion carried 7-0.

16. Director's Report

No report.

17. Such Other Business That May Be Brought Before The Board and Added to This Agenda by Motion of the Board

Miller thanked Harold for presentation on Water and Sewer projects. Chairman Evans informed that Chanel 7 Report on Growth in Weld County airing tonight.

Chairman Evans adjourned the meeting at 5:31 p.m.

Harold Evans, Chairman

Shannon Metcalf, Office Manager

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE X

NO ENCLOSURE

ITEM NUMBER: 4

TITLE: REPORT: ANNUAL GROWTH &
 DEVELOPMENT REPORT

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Brad Mueller will present the annual analysis conducted by the Community Development Department, which includes a 5-year projection of housing starts and population.

2018 ANNUAL GROWTH AND DEVELOPMENT PROJECTION REPORT

Prepared in Support of the
Capital Improvement Planning Process



Staff

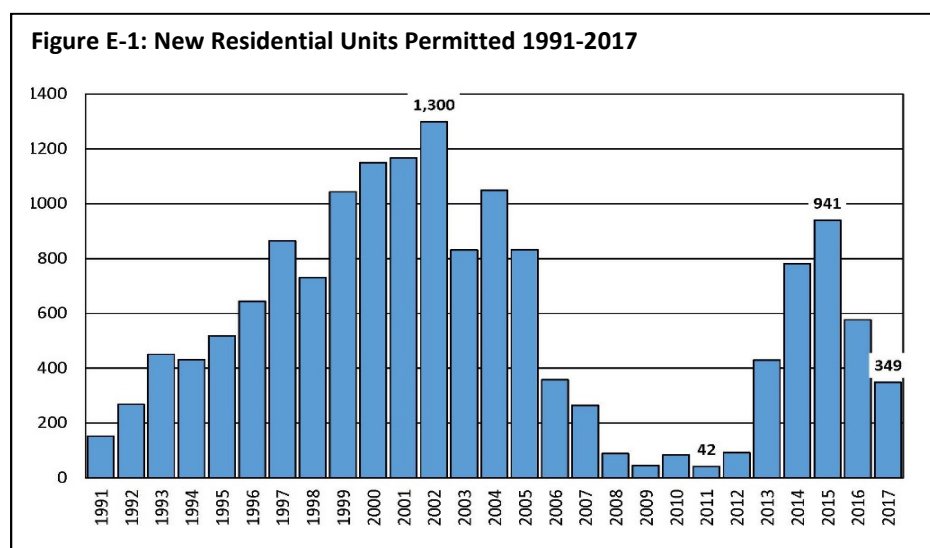
John Barnett, Long Range Planner
Brad Mueller, Community Development Director
February, 2018

This page intentionally left blank

EXECUTIVE SUMMARY

The Annual Growth and Development Projections Report estimates new residential construction in the near future. This report provides a “snapshot” of the growth anticipated in the beginning of each year. Over many years, the number of new single-family homes has significantly exceeded the number of multi-family units. During the most recent economic recovery, however, the number of multi-family units has exceeded the number of single-family units since 2013. In 2016, building permits were issued for 244 single-family homes and 333 multi-family units for a total of 577 residential units. In 2017, building permits were issued for 349 new dwellings, of which 111 were single-family and 238 were multi-family.

Between 1991 and 2015, growth rates ranged from a low of 0.12% to a high of 4.13%. The



distribution of these growth rates is highly bimodal, with lower growth rates occurring during and immediately following recessions and higher growth rates occurring during recovery periods.

It is unclear why the number of permits for new residential units has declined in 2016 in Greeley at the same time as more new residential permits were issued in Fort Collins, Loveland, and Windsor than in 2015. It is possible that the number of finished lots is beginning to limit the ability of builders to supply new housing units.

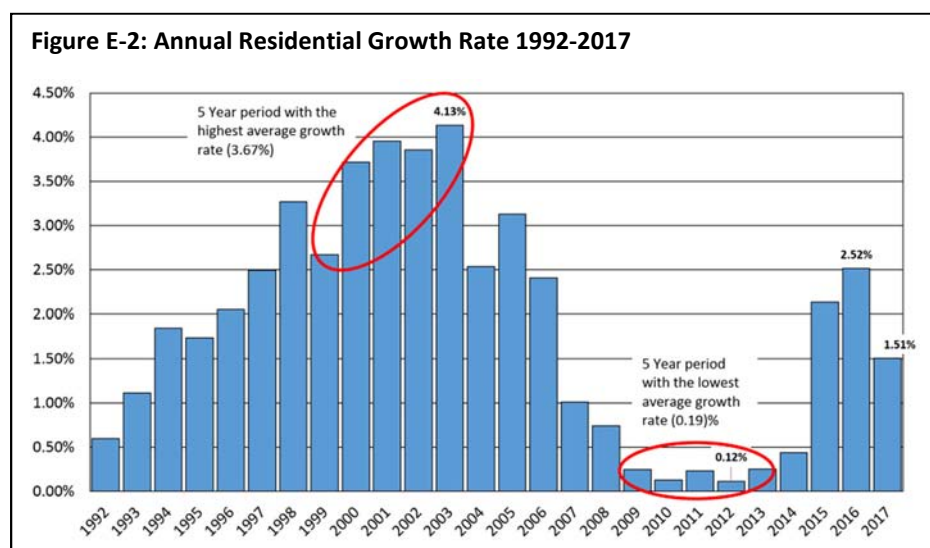
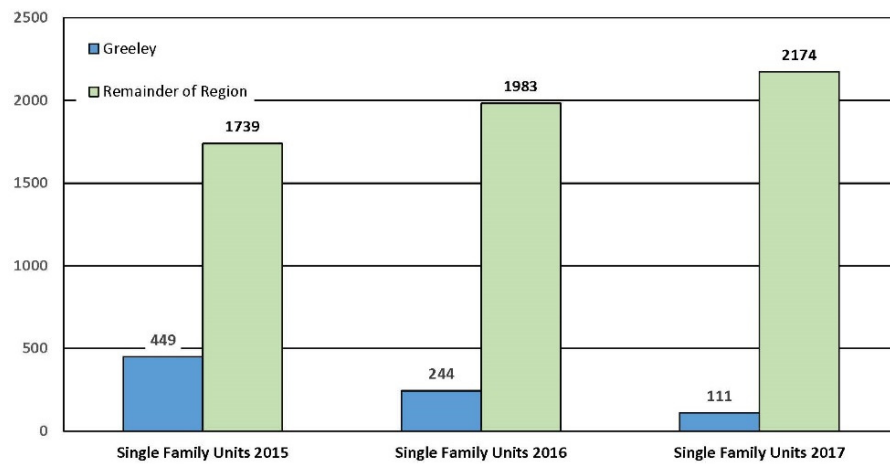


Figure E-3: New Single-family Housing Permits 2015-2017



Greeley experienced a 39.5% drop in permits issued for new residential units in 2017 while other large municipalities saw growth. This does not appear to be related to the economy since median household income increased significantly and Greeley is near full employment. The household income growth and low unemployment rate is contrary to declines in oil drilling throughout 2015 and 2016. This speaks of the growing diversity of the Greeley and Front Range economy. We are projecting that the recent drop in residential building activity will continue through 2018 with a potential return to higher rates in 2019 possibly as metropolitan district funding of development projects is implemented. Long-

Figure E-4: New Multi-Family Housing Permits 2015-2017

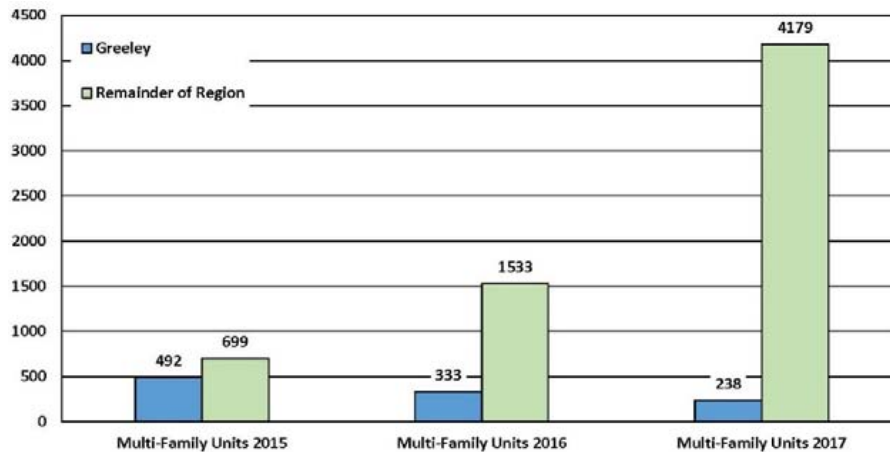


Figure E-5: Forecast New Units Permitted 2018-2023

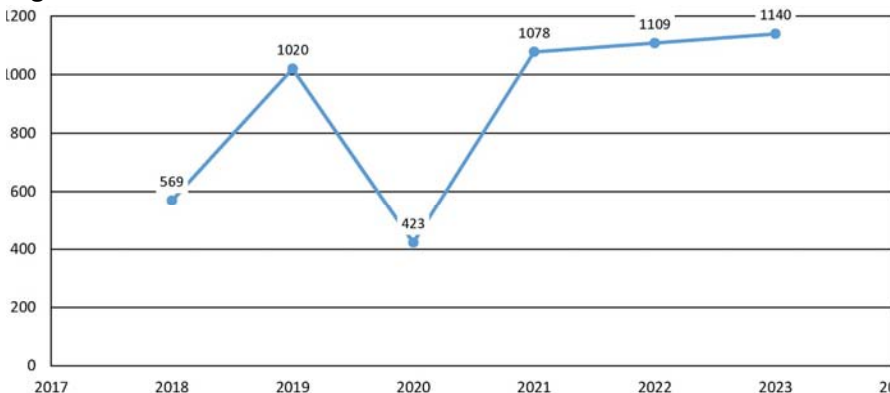
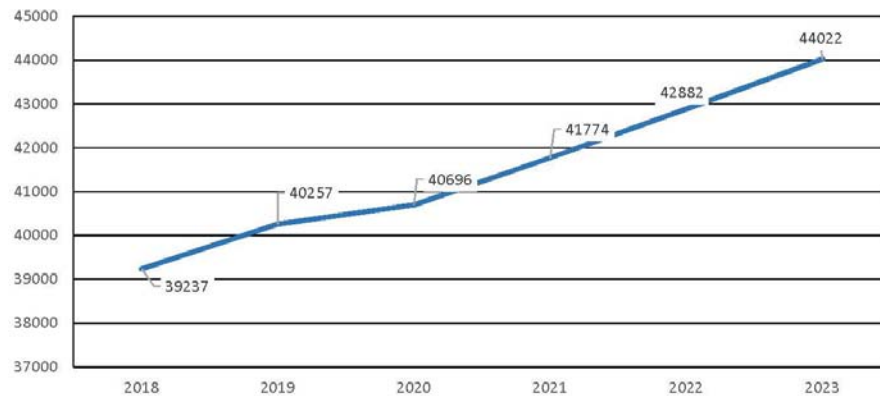


Figure E-6: Forecast Housing Stock 2018-2023



term diversification of Northern Colorado's economy is expected to continue, and this has, and will continue to have, a positive effect on Greeley. We can expect over 500 permits for new housing units to be issued during 2019 and thereafter except for a short recession likely in 2019 or 2020.

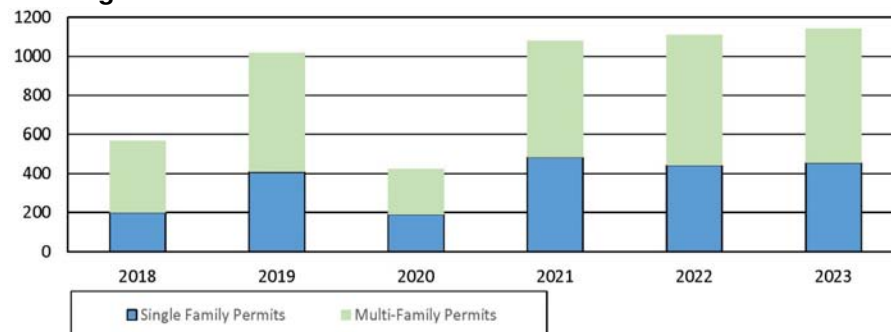
Table E-1: Projected Split between Single-family and Multi-Family Permits

	Total New Housing Permits	Single Family Permits	Multi-Family Permits
2018	569	199	370
2019	1020	408	612
2020	423	191	233
2021	1078	485	593
2022	1109	443	665
2023	1140	456	684

It is anticipated that the trend toward higher density multi-family housing that began during the most recent recovery will continue as raw water available for conversion to urban uses becomes scarcer and more expensive.

While the housing stock increased by 1.15%, the population increased by 2.03%, indicating a lowering of

Figure E-7: Projected Split of Single and Multi-Family Housing Permits 2018-2023



vacancy rates and a tightening in the housing supply. In addition, the average household size increased from 2.7 to 2.71 persons in 2012. The 2018 estimated population of Greeley is 104,857 of which approximately 37% is Hispanic and 10.6% is foreign-born.

CONTENTS

Executive Summary.....	i
I Introduction.....	1.
II History of Residential Growth.....	3
III Population Estimate.....	7
IV Regional Residential Permits.....	10
V Employment and Income Picture.....	15
VI Trends That Affect Residential Building in Greeley.....	21
VII Potential Scenarios and Growth Projections.....	26
VIII Bibliography.....	30

List of Figures

Figure E-1: New Residential Units Permitted 1991-2017.....	i
Figure E-2: Annual Residential Growth Rate 1992-2017.....	i
Figure E-3: New Single-family Housing Permits 2015-2017.....	ii
Figure E-4: New Multi-Family Housing Permits 2015-2017	ii
Figure E-5: Forecast New Units Permitted 2018-2023.....	ii
Figure E-6: Forecast Housing Stock 2018-2023.....	iii
Figure E-7: Projected Split of Single and Multi-Family Housing Permits 2018-2023.....	iii
Figure 2-1: New Residential Units Permitted 1991-2017	3
Figure 2-2: Annual Residential Growth Rate 1992-2017.....	4
Figure 2-3: Single and Multi-Family Units Permitted 2012-2017.....	5
Figure 2-4: Residential Permits 2012-2017.....	5
Figure 2-5: Housing Units at the Beginning of the Year 1991-2018.....	6
Figure 3-1 Estimated Population 1992-2018.....	7
Figure 3-2 Estimated Population Growth Rate 1992-2018.....	8

Figure 3-3 Estimated Population 1980-2018.....	8
Figure 3-4 Estimated Population Growth Rate 1992-2018.....	9
Figure 4-1: Regional New Residential Housing Permits 2015-2017.....	10
Figure 4-2: Housing Permits 2015-2017 as a Percent of the Total 2015 Housing Stock in Each Community.....	10
Figure 4-3: Regional Residential Permits by Housing Type 2015-2017.....	11
Figure 4-4: Regional Residential Permits by Housing Type 2015.....	11
Figure 4-5: Regional Residential Permits by Housing Type 2016.....	12
Figure 4-6: Regional Residential Permits by Housing Type 2017.....	12
Figure 4-7: New Single-family Housing Permits 2015-2017.....	13
Figure 4-8: New Multi-Family Housing Permits 2015-2017.....	13
Figure 4-9: Percent New Units that are Multi-Family as a Function of Population.....	14
Figure 5-1: Q-2 2017 Employment and Wages by Industry.....	17
Figure 5-2: Oil and Gas Drilling Rigs Operating in Weld County.....	18
Figure 5-3: U. S. Median Household Income (Adjusted for Inflation) 1965-2016.....	19
Figure 5-4: Historical Inflation Adjusted Median Household Income of the U. S., Colorado, and Greeley 2005 -2016.....	20
Figure 6-1: Weld County Foreclosures by Year 1997-2017.....	21
Figure 6-2: Greeley Housing Vacancy Rate 2010-2017.....	22
Figure 6-3: Price per unit of Colorado-Big Thompson Water per Unit Converted to Acre Feet 1960-2017.....	23
Figure 6-4: Impact of Increased Raw Water Cost since 2012 on Price per Unit at Various Densities.....	24
Figure 6-5: Map of School Districts in Greeley.....	24
Figure 7-1: Annual Residential Growth Rates 1992-2017.....	26
Figure 7-2: 2018-2023 Housing Growth Scenarios.....	27
Figure 7-3: Forecast New Units Permitted 2018-2023.....	28
Figure 7-4: Scenarios and Forecast Housing Stock 2018-2023.....	28
Figure 7-5: Forecast Housing Stock 2018-2023.....	28
Figure 7-6: Projected Split of Single and Multi-Family Housing Permits 2018-2023.....	29

List of Tables

Table E-1: Projected Split between Single-family and Multi-Family Permits.....	iii
Table 2-1: Mix of Existing Single and Multi-Family Housing Units 2010-2018.....	4
Table 2-2: Change in Housing Units 1991-2018.....	6
Table 3-1 Population Estimate.....	7
Table 5-1: Employment Statistics for Colorado MSAs October, 2017.....	15
Table 5-2: Year to Year Comparisons in Greeley MSA 2012-2017.....	15

Table 5-3 Q2 2017 Employment and Wages by Industry.....	16
Table 5-4 Q2 2016-2017 Changes in Employment and Wages by Industry.....	18
Table 7-1: New Units based on High Average, and Low Growth Rates.....	26
Table 7-2: Total Units based on High Average, and Low Growth Rates.....	26
Table 7-3: Forecast Units Permitted 2018-2023.....	27
Table 7-4: Projected Split between Single-family and Multi-Family Permits.....	29

I INTRODUCTION

The Annual Growth and Development Projection Report provides estimates of how much new residential development will occur from 2018 through 2022 within the City of Greeley, Colorado. It examines historic and recent development and annexation activity, and uses apparent trends, along with local and regional projections, to forecast building activity in the coming years.

This report is intended to provide a “snapshot” of the growth anticipated at the beginning of each year based on:

- 1) The actual history of growth and development during previous years;
- 2) Regional economic projections;
- 3) Other factors that have the potential to affect expected trends.

After permits were issued for 941 new residential units in 2015, during 2016 there were 577 permits issued for new residential units (a 38.7% drop), (Barnett, 2017). Only 349 permits were issued in 2017, an additional drop for the second year in a row of 39.4%. During this same time, the remainder of Northern Colorado saw significant growth from year to year in new residential permits. As the economic recovery continued, there was significant growth in the size of the workforce and the number of persons employed as well as a significant decline in the number of persons unemployed. The unemployment rate declined less as the area approaches full employment. Some of this growth was driven by increased oil and gas drilling activity as newer fracking technology was deployed. A more than 50% decline in the price of oil throughout the second half of 2014 and all of 2015 has a lower impact than might be expected on the local economy because of diversification over the last decade.

This report is part of a three-step analysis used to help inform the City’s Capital Improvements Plan (CIP) and as a general resource for other City departments and the public and businesses at large , a mechanism for meeting the service and infrastructure needs of future development while maintaining existing service levels and managing community resources. Through the CIP, the City also estimates development fee revenue that may be available to meet growth demands. City departments recommend projects that may then be incorporated into the City budgeting process. Future infrastructure upgrades and public facility construction are scheduled based on available resources.

The methods used in this report include both quantitative projections and qualitative forecasting and are employed in a four-step process. Staff uses a variety of information sources, including building permit data, information from the real estate and building communities, and economic data from regional and state organizations.

Step 1

The first step uses historic home-building activity trends and projects growth for the following year, assuming continuation of recent trends. Using records from 1991 through 2017 provides a 25-year record of homebuilding activity that extends through high and low growth periods. This record covers three recessions and their recoveries. It also captures trends driving homebuilding including the increase in recent oil and gas drilling employment, increased employment in agricultural processing, the collapse of the so called “housing bubble,” the trend to “drive ‘till you qualify”, and other trends during this time frame. This historic permit data is used to project high, medium, and low projections of new units expected to be constructed for the next five years on the assumption that growth in any five-year period will fall between the historic high and low.

Step 2

The next step is to identify regional economic trends that will affect where the actual number of new permits will fall within the confidence interval projected from historic trends. These include an assessment of current regional and Greeley employment history, a review of the *Colorado Business Economic Outlook* published by the Leeds School of Business at the University of Colorado, and the Northern Colorado Economic Forecast sponsored by the Montfort College of Business at Northern Colorado University. In addition, staff also considers state housing and population projections generated by the Colorado Department of Local Affairs (DOLA), more localized population projections published by the North Front Range Metropolitan Planning Organization (NFRMPO), the Colorado Division of Housing Multi-Family Vacancy and Rental Survey (Throupe, 2017), input from the building community and planning staff on upcoming projects, and information from the real estate community. Specific assumptions are noted throughout the report.

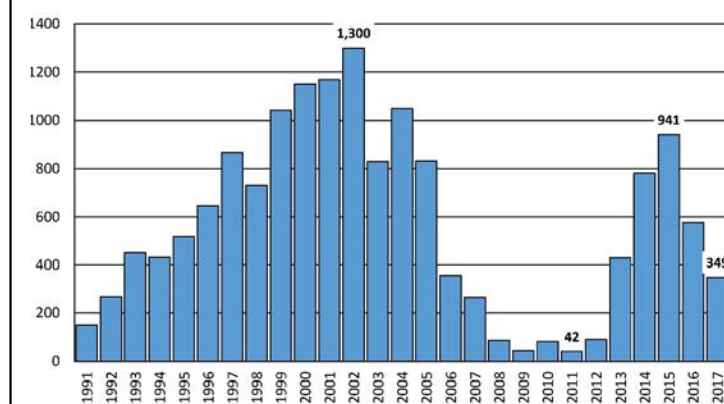
Step 3

The final step is to examine other factors and trends that could affect expected homebuilding trends. These include the recent change in the ratio of multi-family to single-family housing, recent changes in the price of oil discussed above, and recent increases in the cost of raw water in Northern Colorado.

II History of Residential Growth

Since 1991, Greeley's residential growth has been occurring in waves ranging from approximately 0.5 % to 4% per year with an average of about 1.9%. Figure 2-1 shows 26 years of new residential building permits. After relatively modest but steady increases in home construction throughout most of the 1990s, Greeley began to experience annual permit growth rates of nearly 4% beginning in 1999. The high growth rate peaked in 2002 with 1,300 new residential units, translating to an actual growth rate of 4.14% over 2001. Beginning in 2003,

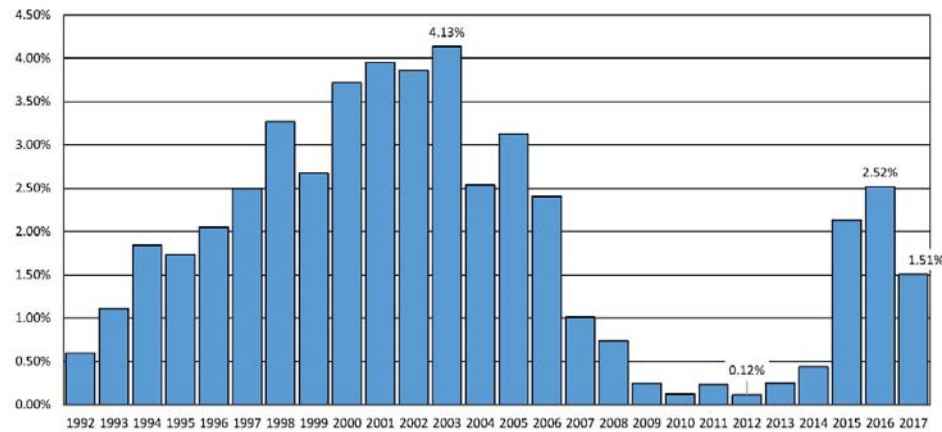
Figure 2-1: New Residential Units Permitted 1991-2017



Greeley experienced five years of declining new construction followed by three years of stagnant low level housing construction. During the mortgage crisis and Great Recession, Greeley experienced limited building. Permits for new housing reached a low of 42 units in 2011. Beginning with a small increase in building activity in 2012, Greeley experienced four years of significant growth in new

housing construction. New housing construction peaked again in 2015 with 941 permits for new units (Community Development Department, 2017). In 2016, there were 577 permits issued for new residential units and 349 in 2017.

Figure 2-2: Annual Residential Growth Rate 1992-2017



The drop in permits from 2015 to 2017 is not caused by a decline in the economy since most other Northern Colorado jurisdictions saw a continuation of permit growth consistent with what Greeley

experienced from 2013 through 2015. Rather, this drop is caused by factors unique to Greeley as set forth in Chapter VI of this report. These include a lack of available financing tools for development, the timing of when certain costs of development must be paid and how these costs are carried, the cost of raw water, and the lack of planning for new K-12 schools in Greeley's growth areas. These issues are being addressed through several initiatives and potential changes in 2018 that may lead to significant increases in projected residential building permits during the next several years.

Mix of single and multifamily units

Greeley's historic mix of single and multi-family housing has remained relatively constant at between approximately 65% and 66% in the years leading up to 2012. Beginning in 2002, over half of new construction has consisted of multi-family housing to the extent that the overall percentage of single family housing has declined by 1.82% from a high of 65.39% in 2012, to 63.57% in 2018 as shown in Table 2-1.

Table 2-1: Mix of Existing Single and Multi-Family Units 2010-2018

Year	SFD	%SFD	MFD	%MFD	Total
2018	25,021	63.57%	14,338	36.43%	39,359
2017	24,910	64.02%	14,002	35.98%	38,912
2016	24,670	64.33%	13,681	35.67%	38,351
2015	24,221	64.74%	13,189	35.26%	37,410
2014	23,976	65.10%	12,856	34.90%	36,832
2013	23,743	65.36%	12,581	34.64%	36,324
2012	23,688	65.39%	12,539	34.61%	36,227
2011	23,646	65.35%	12,539	34.65%	36,185
2010	23,570	65.27%	12,539	34.73%	36,109

Since 2012, most of the new home construction consisted of multifamily units as shown in Figure 2-3 and 2-4. Over many years, the number of new single-family homes has significantly

exceeded the number of multi-family units. During the most recent recovery, however, the number of multi-family units has greatly exceeded the number of single-family units (Community Development Department, 2015). Other factors that will play into both the mix and total number of residential permits include the position of multi-family housing and single-family housing in the real estate market cycle and the timing of the next recession.

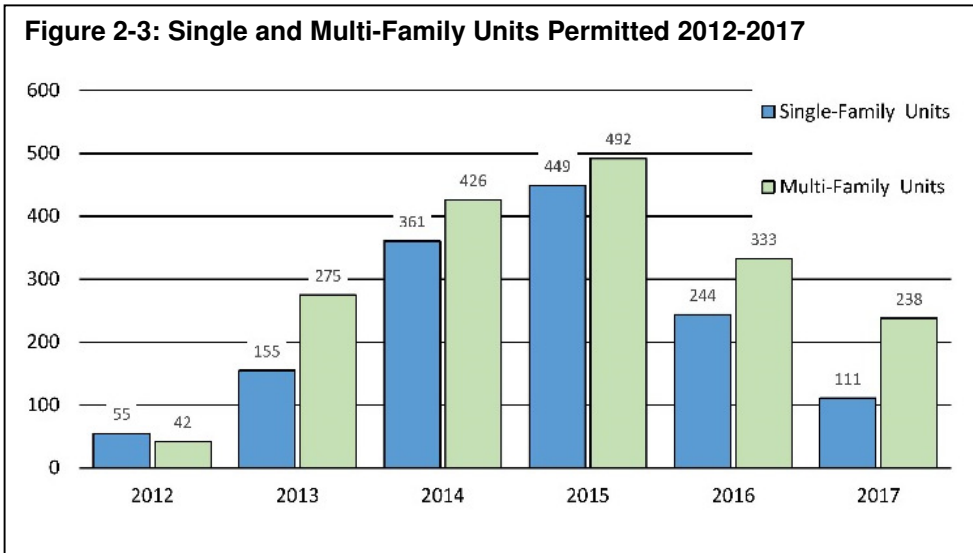


Table 2-1 and Figure 2-5 show that the total housing stock plus building permits and annexations and subtracting demolitions has increased from

24,012 to 39,237 between 1992 and January 2018. It also shows the impact of the Great Recession as a flat spot during the seven years from 2008 to 2014.

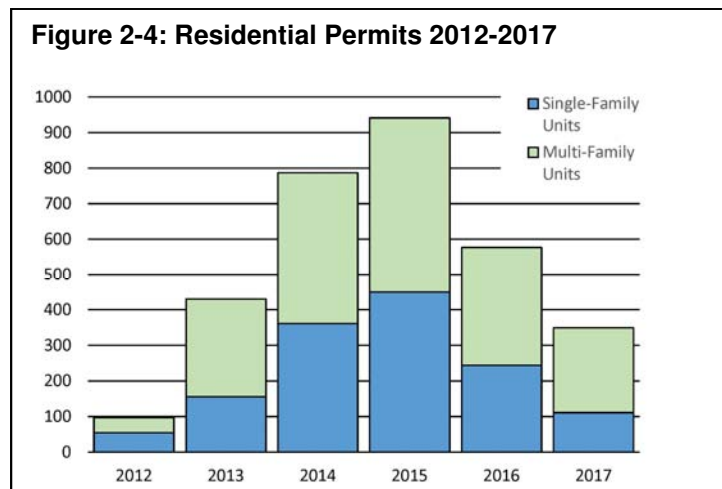
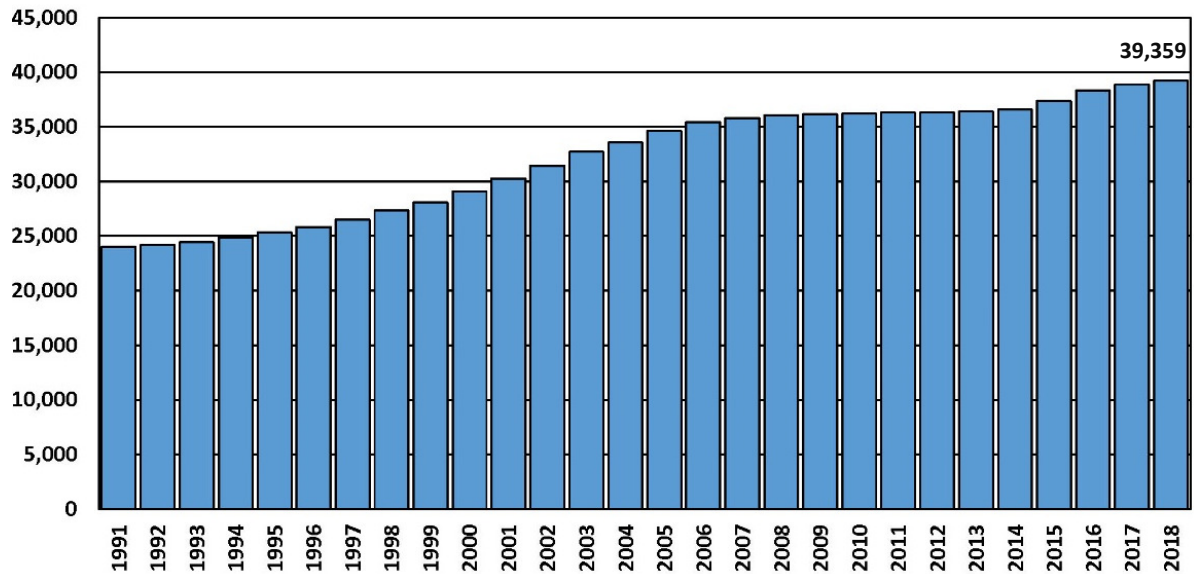


Table 2-2: Change in Housing Units 1991-2018

Year	Housing Units at the Beginning of Year	New Residential Units Permitted	Year over year change in permits	Annual Residential Growth Rate
1991	24,012	152		
1992	24,164	269	76.97%	0.60%
1993	24,433	451	67.66%	1.11%
1994	24,884	432	-4.21%	1.85%
1995	25,316	519	20.14%	1.74%
1996	25,835	645	24.28%	2.05%
1997	26,480	865	34.11%	2.50%
1998	27,345	731	-15.49%	3.27%
1999	28,076	1,044	42.82%	2.67%
2000	29,120	1,151	10.25%	3.72%
2001	30,271	1,168	1.48%	3.95%
2002	31,439	1,300	11.30%	3.86%
2003	32,739	831	-36.08%	4.13%
2004	33,570	1,050	26.35%	2.54%
2005	34,620	833	-20.67%	3.13%
2006	35,453	358	-57.02%	2.41%
2007	35,811	265	-25.98%	1.01%
2008	36,076	89	-66.42%	0.74%
2009	36,165	46	-48.31%	0.25%
2010	36,211	84	82.61%	0.13%
2011	36,295	42	-50.00%	0.23%
2012	36,337	92	119.05%	0.12%
2013	36,429	430	367.39%	0.25%
2014	36,589	781	81.63%	0.44%
2015	37,370	941	20.49%	2.13%
2016	38,311	577	-38.68%	2.52%
2017	38,888	349	-39.51%	1.51%
2018	39,237			

Figure 2-5: Housing Units at the Beginning of the Year 1991-2018

III Population Estimate

Greeley's population has been growing at a steady rate for the past 38 years with only one year of negative growth. This growth includes natural growth from reproduction as well as immigration from other areas. Over the last 150 years, a significant portion has been immigrants coming to Greeley to work in agriculture and the food processing industries. In fact, according to the latest census figures, 10.7% of Greeley's population is made up of immigrants.

Table 3-1 Population Estimate

Year	SFD	SFDocc	MFD	MFDocc	AHS	UP	Population
2018	25,021	0.975	14,338	0.986	2.71	3033	107,457
2017	24,910	0.972	14,002	0.962	2.71	3196	105,315
2016	24,670	0.950	13,681	0.971	2.71	3347	103,037
2015	24,221	0.971	13,189	0.962	2.71	2671	100,790
2014	23,976	0.967	12,856	0.0967	2.71	3196	98,423
2013	23,743	0.967	12,581	0.954	2.71	2,900	97,320
2012	23,688	0.959	12,539	0.944	2.71	2,980	96,093
2011	23,646	0.955	12,539	0.0914	2.7	3,027	95,453
2010	23,570	0.951	12,539	0.914	2.7	3,090	94,358

Population Estimate Based on Modified Housing Method (2010)

MFD occupancy rate; AHS= Average Household size; UP= University Population

Estimated Population = $[(SFD \times SFDocc) + (MFD \times MFDocc)] \times AHS + UP$

Table 3-1 shows Greeley's population estimates from 2010 to 2018. Figure 3-1 shows the annual estimated population between 1992 and 2018. The annual population growth rate during 2017 was 2.03%. It should be

noted that, in 2012, the average household size increased from 2.7 to 2.71 persons.

Figure 3-1 Estimated Population 1992-2018

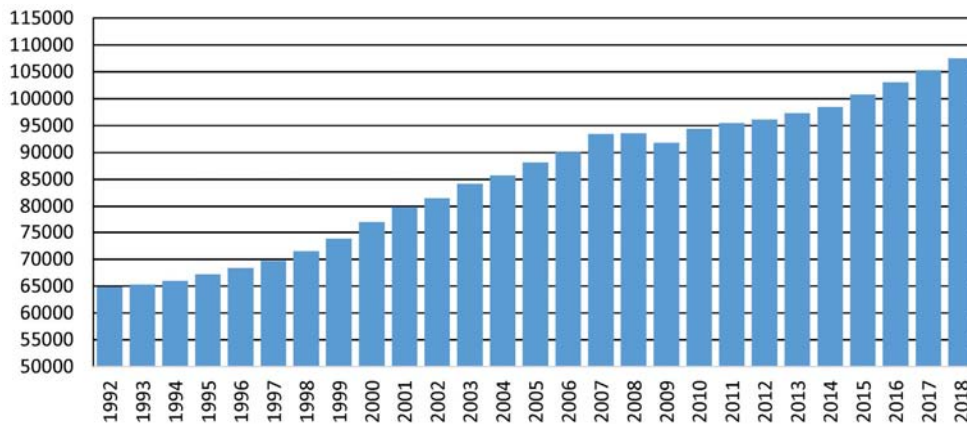


Figure 3-2 shows that the total population growth rate has varied between -1.91% and 4.20% between 1992 and January 2018. Since 1992, Greeley's estimated population has grown 65.7% from 64,832 to 107,457 people. During that time, the annual population growth rate has fluctuated between -1.9% and 4.20 %, averaging 1.82% and with a standard deviation of 1.29%.

Figure 3-2 Estimated Population Growth Rate 1992-2018

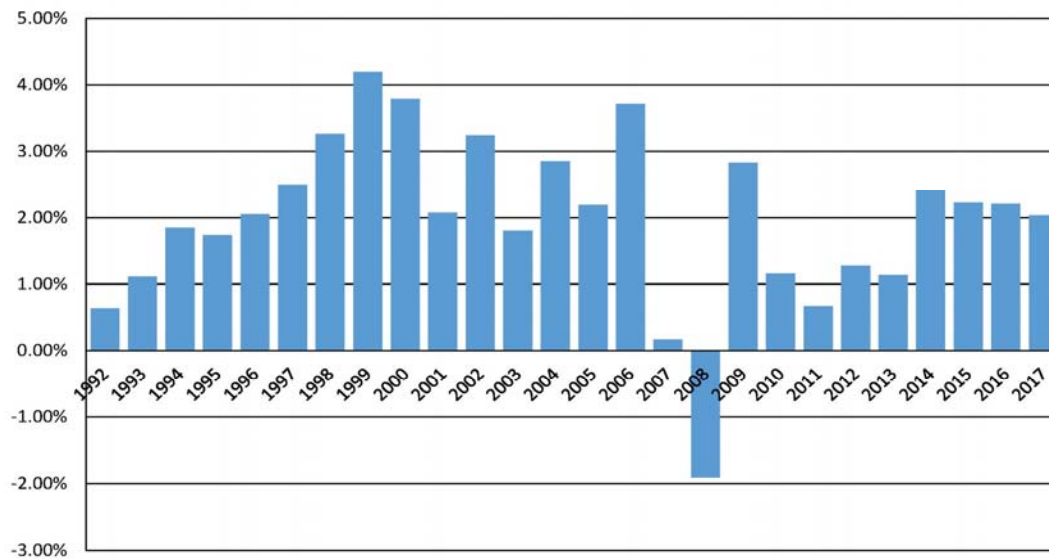
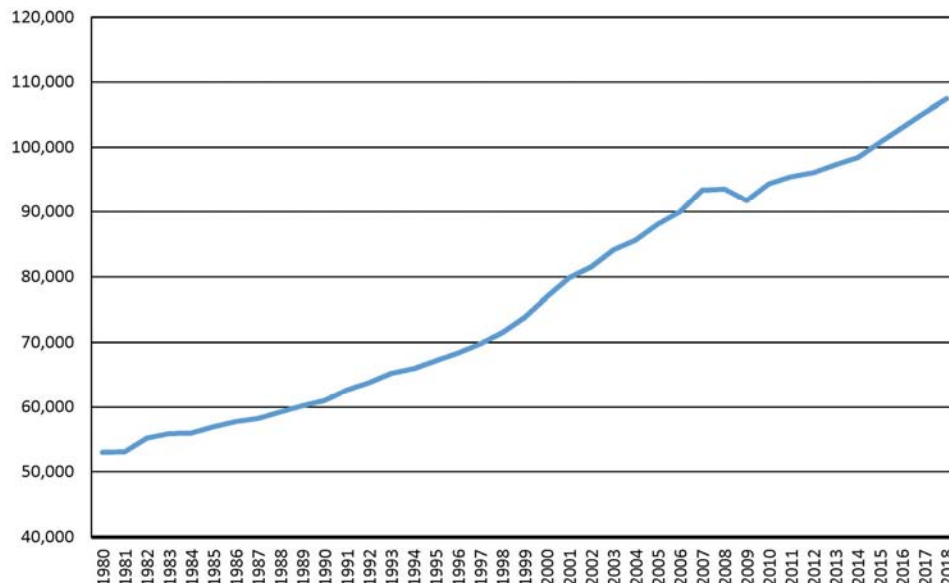


Figure 3-3 Estimated Population 1980-2018

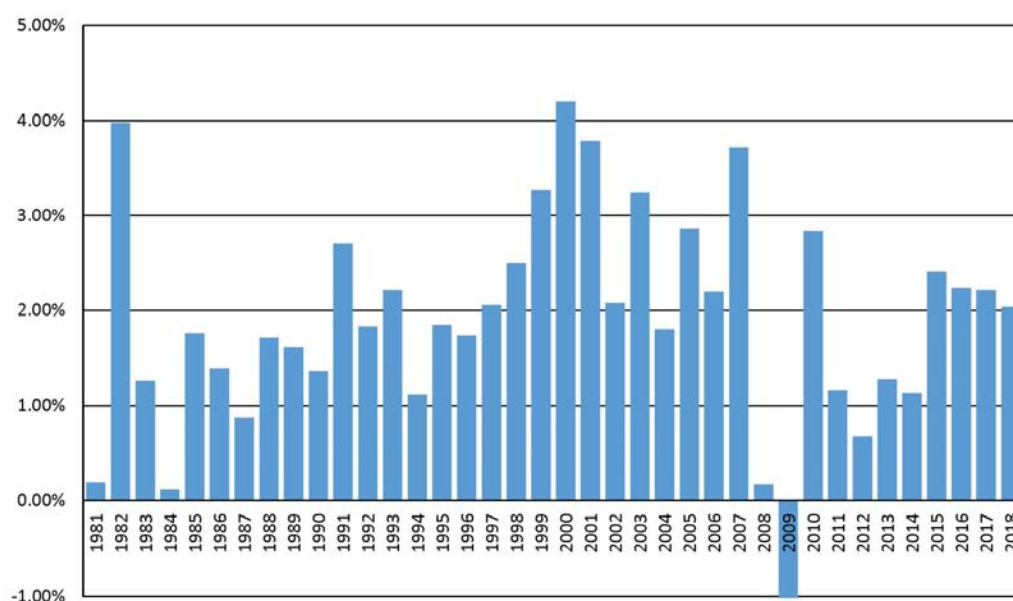


Greeley's population has more than doubled from 53,006 in 1980 to 107,457 in 2018, a period of 38 years.

Figure 3-4 shows that, since 1981, the population growth rate has averaged 1.88 % with a standard deviation of $\pm 1.28\%$. This growth rate has been slower than that of Weld County and the Northern Colorado region as a whole. Nonetheless it is healthy and includes significant in-migration, especially when compared to portions of western Kansas and Nebraska that are

losing
population.

Figure 3-4 Estimated Population Growth Rate 1981-2018



IV REGIONAL RESIDENTIAL PERMITS

Comparing new housing permits in Greeley to the rest of Northern Colorado helps provide insights into trends in Greeley. Figure 4-1 shows a comparison of Fort Collins, Greeley, Loveland, Windsor, Timnath, Milliken, Severance, Johnstown, and Evans residential units permitted in 2015, 2016, and 2017.

Figure 4-1: Regional New Residential Housing Permits 2015-2017

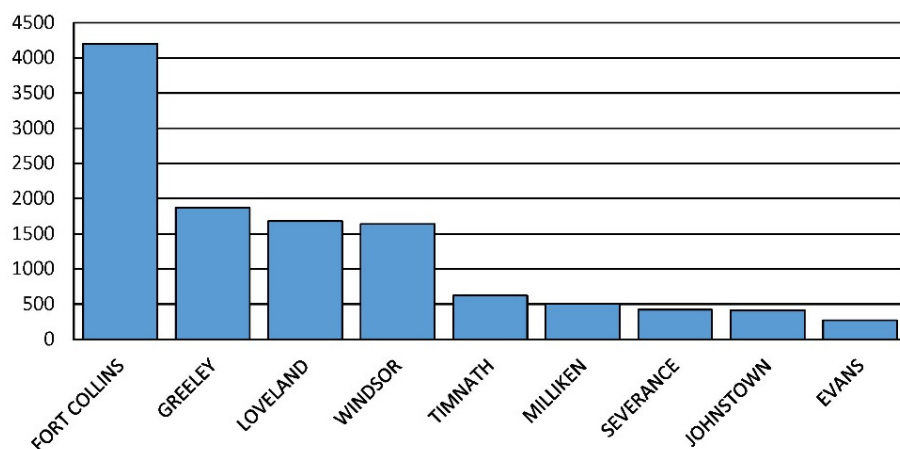


Figure 4-2 shows the percent of new residential units of the estimated 2015 housing stock in each of the selected Northern Colorado municipalities. The average percentage of the housing stock for all Northern Colorado is 6.79% while Greeley's percentage is 4.62%. Because of Greeley's high proportion of the regional population, if Greeley is removed from the sample, the average percentage of new units would be 9.03 %

Figure 4-2: Housing Permits 2015-2017 as a Percent of the Total 2015 Housing Stock in Each Community

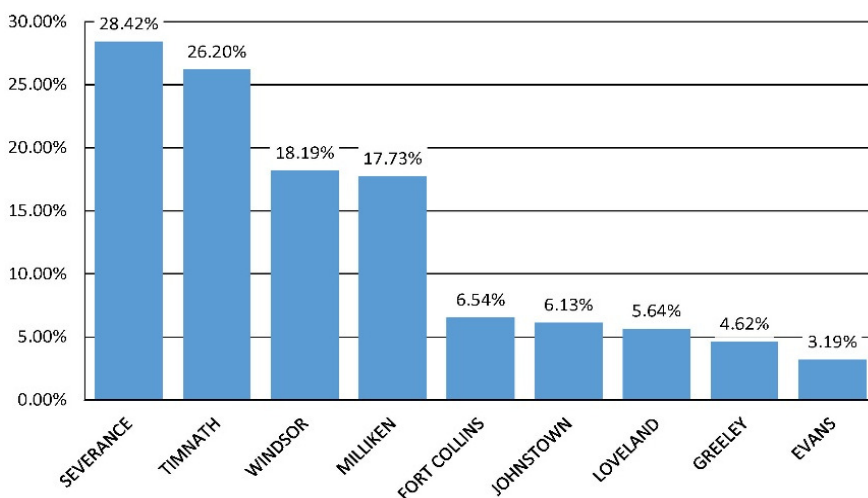
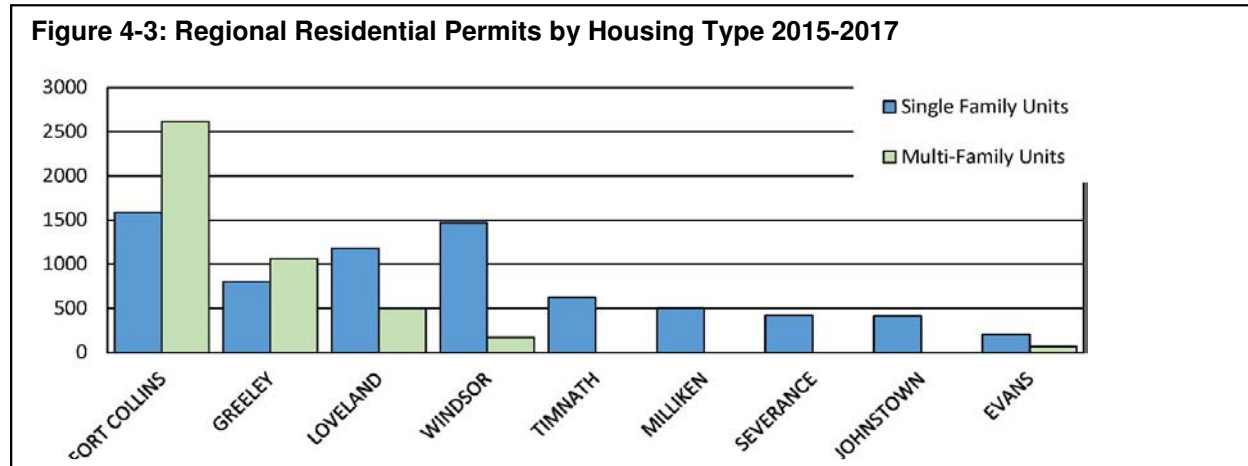


Figure 4-3 shows a comparison of building permits in Northern Colorado municipalities for single-family and multi-family residential units permitted in 2015, 2016, and 2017.



The following charts break these out by each year. Figure 4.4 shows a comparison of building permits in Fort Collins, Greeley, Loveland, Windsor, Timnath, Milliken, Severance, Johnstown, and Evans for single-family and multi-family residential units permitted in 2015. Fort Collins issued permits for the most multi-family units with 1875, followed by Greeley with 1253, and Loveland with 755. Evans and Windsor combined issued permits for fewer than 200 units. Over the three year period, Fort Collins has lead in the number of single-family residential permits issued with 1774, followed by Loveland with 1229, Windsor with 1159, and Greeley with 1054.

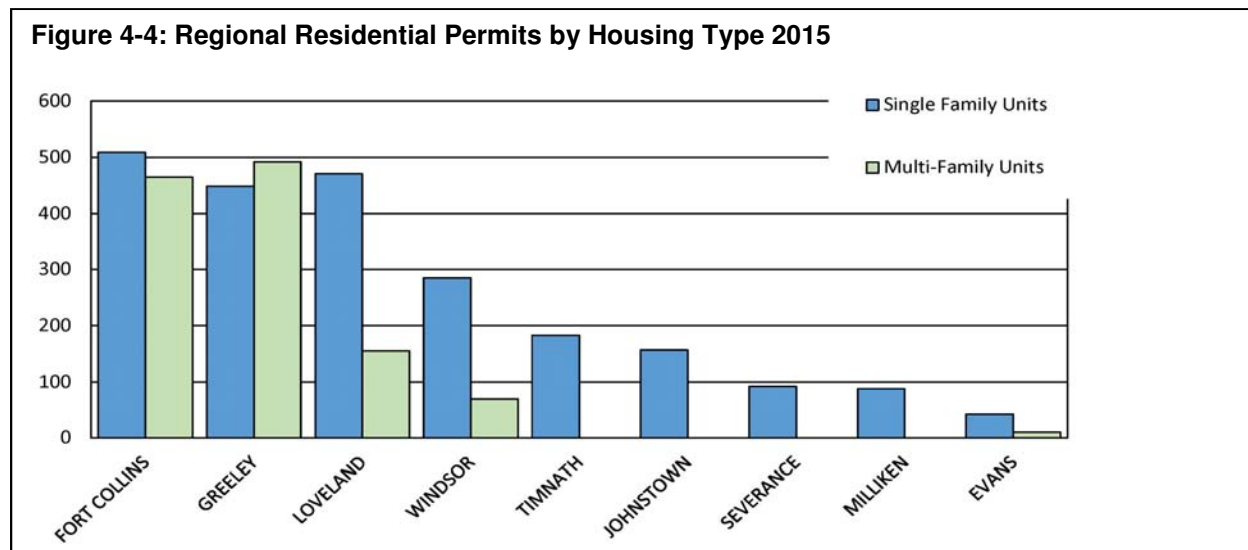


Figure 4-5 shows a comparison of building permits in Fort Collins, Greeley, Loveland, Windsor, Timnath, Milliken, Severance, Johnstown, and Evans for single-family and multi-family residential units permitted in 2016.

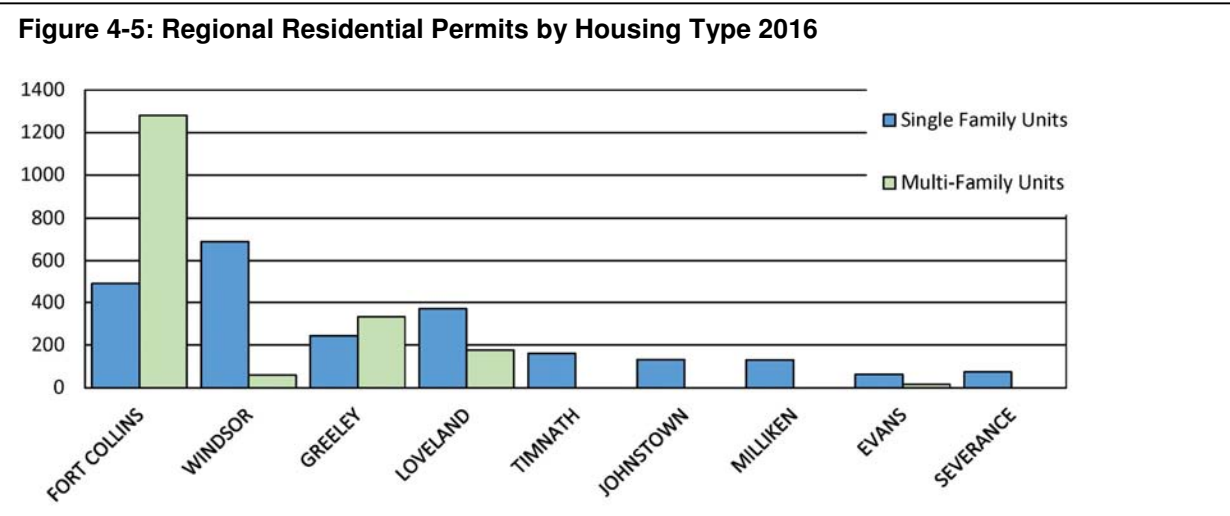
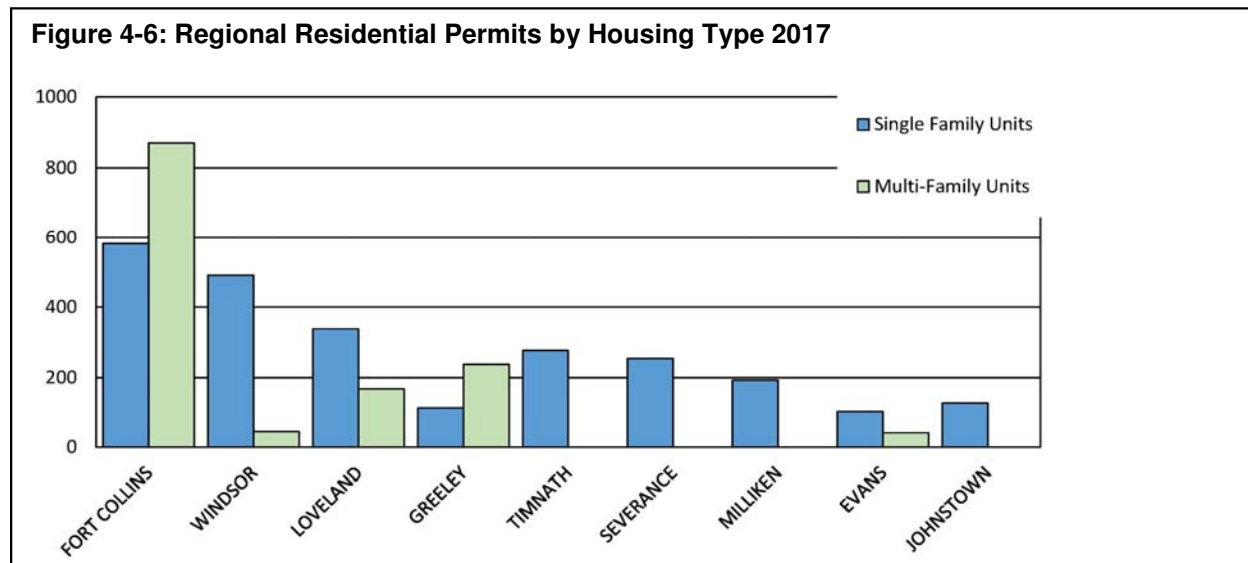
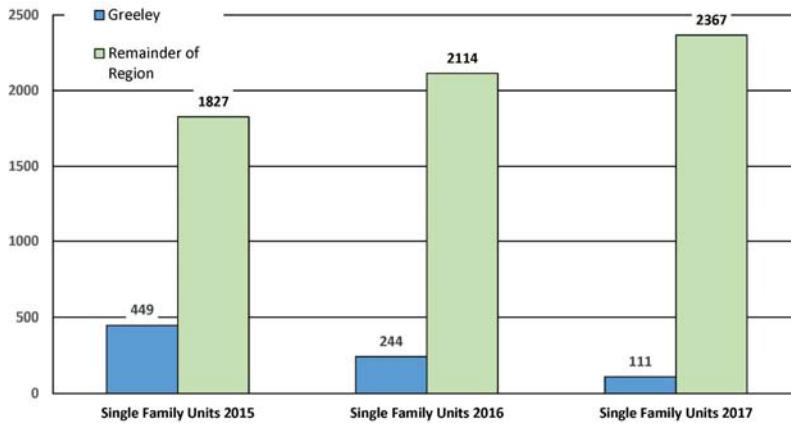


Figure 4-6 shows a comparison of building permits in Fort Collins, Greeley, Loveland, Windsor, Timnath, Milliken, Severance, Johnstown, and Evans for single-family and multi-family residential units permitted in 2017.



From this year-by-year comparison, we can see that, while the total single-family permits issued in all other municipalities examined in this analysis increased by 25% over the three year period, the number of single-family permits issued in Greeley declined by 75%. This is a significant variance that needs further analysis.

Figure 4-7: New Single-family Housing Permits 2015-2017



Even more significant is the variance in single-family construction shown in Figure 4-7. While the total single-family permits issued in all other municipalities examined in this analysis increased by 25% over the three year period, the number of single-family permits issued in Greeley declined by 75%. This is a significant variance that needs further analysis.

Figure 4-8: New Multi-Family Housing Permits 2015-2017

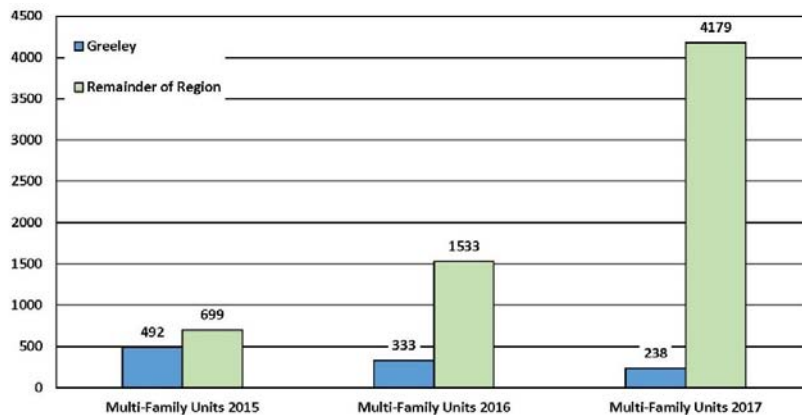
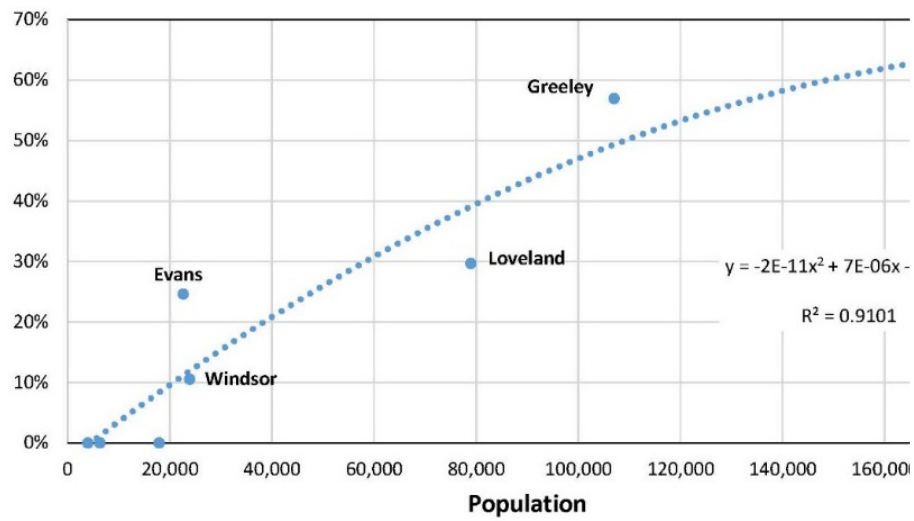


Figure 4-9 shows the strong relationship in Northern Colorado over the last three years between the percentage of multi-family permits issued in a municipality and population. In fact, 91% of the variability in

the percentage of multi-family permits over the last three years can be explained by the population of the municipality; specifically, larger municipalities tend to have a higher percentage of multi-family housing. Three years is too short a time to prove the validity of that relationship since single-family and multi-family housing could just be at a different point in the market cycle, but it is a potential trend that bears watching.

Figure 4-9: Percent New Units that are Multi-Family as a Function of Population



V EMPLOYMENT AND INCOME PICTURE

Employment continues to improve slowly throughout Colorado, but significantly more in Northern Colorado. The civilian labor force grew by 3.45% statewide, while in the Greeley MSA, which includes all of Weld County, civilian labor force grew by

Table 5-1: Employment Statistics for Colorado MSAs October, 2017

MSA	Civilian Labor Force	% Change over Dec. 2016	Number Employed	% Change over Dec. 2016	Number Unemployed	% Change over Dec. 2016	Unemployment Rate	% Change over Dec. 2016
Boulder-Longmont	189,235	3.69%	184,553	3.64%	4,682	5.69%	2.50%	13.64%
Colorado Springs	339,603	4.17%	328,260	4.31%	11,343	0.33%	3.30%	3.13%
Denver - Aurora	1,600,008	2.55%	1,555,176	2.64%	44,832	-0.53%	2.80%	7.69%
Fort Collins-Loveland	199,940	6.92%	195,057	7.04%	4,883	2.48%	2.40%	4.35%
Grand Junction	72,505	-0.37%	69,623	0.46%	2,882	-16.85%	4.00%	-6.98%
Greeley	158,107	3.06%	153,880	3.37%	4,227	-7.06%	2.70%	3.85%
Pueblo	75,362	2.03%	72,077	2.44%	3,285	-6.06%	4.40%	2.33%
Colorado Totals	3,020,823	3.45%	2,939,449	3.99%	81,374	-12.99%	2.70%	-15.63%

<https://www.colmigateway.com/vosnet/lmi/profiles/profileDetails.aspx?session=areadetail§ion=employmentWage>
 Accessed Jan, 15, 2018

3.06%, the third highest of any Metropolitan Statistical Area in the state as shown in Table 5-1. The total number of employed people also increased, with a 3.06%,

Table 5-2: Year to Year Comparisons in Greeley MSA 2012-2017

	2012	2013	2014	2015	2016	2017
Civilian labor force	119,038	124,178	134,817	150,737	153,414	158,107
Number Employed	108,261	115,507	128,851	145,334	148,866	153,880
Number unemployed	10,777	8,671	5,555	5,403	4,548	4,227
Unemployment Rate	9.1%	7.0%	3.9%	3.60%	2.60%	2.70%

the third highest of any Metropolitan Statistical Area in the state as shown in Table 5-1. The total number of employed people also increased, with a statewide growth

Table 5-3 Q2 2017 Employment and Wages by Industry

INDUSTRY	# OF BUSINESSES	PERCENT OF BUSINESSES	# OF EMPLOYEES	PERCENT OF EMPLOYMENT	TOTAL WAGES Q2 OF 2016	PERCENT OF TOTAL WAGES	Q AVG WAGE	ANNUALIZED AVG WAGE
AGRICULTURAL/ FORESTRY/ FISHING/ HUNTING	39	1.38%	319	0.61%	\$ 2,703,466	0.49%	\$ 8,484	\$ 33,934.32
MINING-NATURAL GAS/OIL, OIL/GAS OPERATIONS/DRILLING	80	2.82%	2505	4.82%	\$ 44,760,559	8.11%	\$ 17,871	\$ 71,483.46
UTILITIES	9	0.32%	101	0.19%	\$ 2,025,182	0.37%	\$ 20,117	\$ 80,470.81
CONSTRUCTION	252	8.89%	2187	4.21%	\$ 29,605,509	5.36%	\$ 13,535	\$ 54,139.91
MANUFACTURING	88	3.11%	5934	11.42%	\$ 60,676,211	10.99%	\$ 10,225	\$ 40,900.72
WHOLESALE TRADE	139	4.90%	1317	2.53%	\$ 20,963,227	3.80%	\$ 15,921	\$ 63,685.75
RETAIL TRADE	319	11.26%	5749	11.06%	\$ 41,541,702	7.52%	\$ 7,225	\$ 28,901.33
TRANSPORTATION/WAREHOUSING	113	3.99%	1506	2.90%	\$ 21,254,239	3.85%	\$ 14,113	\$ 56,452.16
INFORMATION	36	1.27%	675	1.30%	\$ 7,411,211	1.34%	\$ 10,974	\$ 43,896.61
FINANCE/INSURANCE	182	6.42%	2177	4.19%	\$ 31,759,966	5.75%	\$ 14,587	\$ 58,346.54
REAL ESTATE/RENTAL/LEASING	144	5.08%	779	1.50%	\$ 7,998,147	1.45%	\$ 10,263	\$ 41,051.22
PROFESSIONAL/SCIENTIFIC/TECHNICAL SERVICES	248	8.75%	1064	2.05%	\$ 13,796,753	2.50%	\$ 12,971	\$ 51,883.75
MANAGEMENT OF COMPANIES/ENTERPRISES	22	0.78%	1262	2.43%	\$ 32,539,927	5.89%	\$ 25,784	\$ 103,137.65
ADMIN/SUPPORT/WASTE MNGMT/REMEDIATION SERVICES	159	5.61%	3316	6.38%	\$ 23,109,884	4.19%	\$ 6,969	\$ 27,876.82
EDUCATION SERVICES	42	1.48%	6602	12.70%	\$ 57,902,006	10.49%	\$ 8,770	\$ 35,079.72
HEALTHCARE AND SOCIAL ASSISTANCE	310	10.94%	6781	13.05%	\$ 84,836,642	15.37%	\$ 12,510	\$ 50,041.28
ARTS/RECREATION/ENTERTAINMENT COMPANIES	35	1.24%	456	0.88%	\$ 1,760,720	0.32%	\$ 3,864	\$ 15,456.21
ACCOMMODATION/FOOD SERVICE	245	8.65%	4631	8.91%	\$ 19,475,135	3.53%	\$ 4,206	\$ 16,822.75
GENERAL AUTOMOTIVE REPAIR & OTHER PERSONAL SERVICES	351	12.39%	1609	3.09%	\$ 11,542,180	2.09%	\$ 7,175	\$ 28,699.99
PUBLIC ADMINISTRATION	21	0.74%	3009	5.79%	\$ 36,394,158	6.59%	\$ 12,094	\$ 48,375.10
TOTALS	2,834	100.00%	51,979	100.00%	\$ 552,056,824	100.00%	\$ 11,883	\$ 950,636

of 3.99% statewide and 3.37% in the Greeley MSA. At the same time, the unemployment number and rate declined at 15.63% and 3.85% statewide growth of 3.99% statewide and 3.37% in the Greeley MSA. At the same time, the unemployment number and rate declined at 15.63% and 3.85% respectively. Table 5-2 shows the year-over-year comparison of employment in the Greeley MSA (Colorado Department of Labor and Employment, 2016). While the total workforce and the number of employed persons grew more slowly than in recent years, this is most likely the result of reaching full employment rather than a softening of the economy. Examining low unemployment rate in the Greeley MSA appears to indicate that there could be significant pent up regional demand for housing. This demand may currently be addressed through doubling up on housing units, long distance commuting, or employed persons living in campers or group housing away from their families.

Employment by Industry

During the most recent recovery, Greeley's economy has continued to diversify depending much less on oil and gas than it had during the 1980s. As a result, the dramatic decline in oil prices, while it had a significant impact on employment in the oil and gas sector, had much less of an impact on the broader Greeley economy. Table 5-3 shows the relationship among the different industries within Greeley including the number of enterprises, number of employees and total payroll in industries in Greeley.

Figure 5-1 shows the percent of employment and the percent of payroll in industries in Northern Colorado. Industries with a higher percentage of total wages than the percentage of employees have a higher than average wage, while industries having a lower percentage of wages than employment have a lower than average wage.

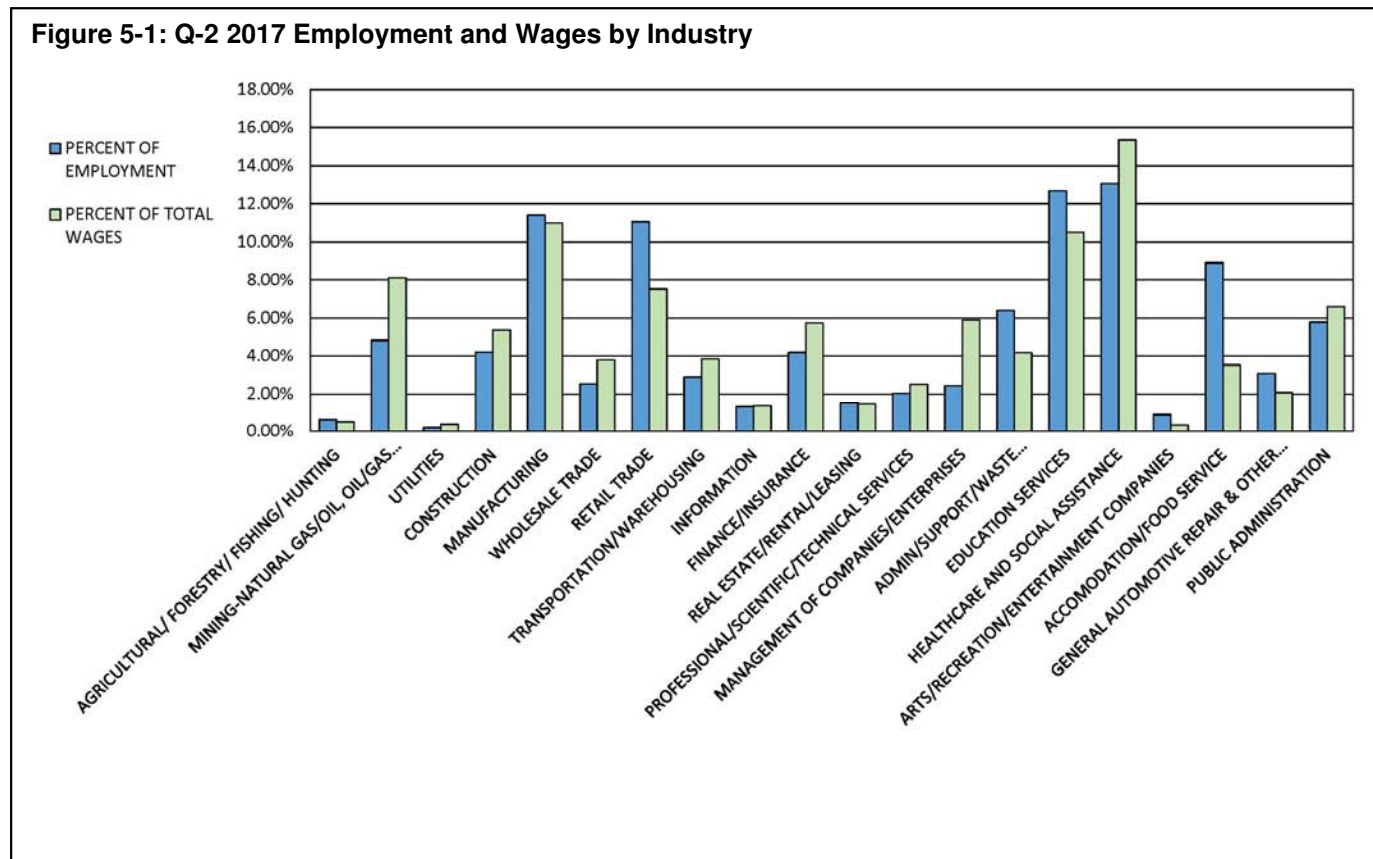


Table 5-4 shows the changes in number of businesses, employees, and wages between the second quarters of 2016 and 2017. As can be seen from the table, Greeley's economy grew significantly in terms of all factors. The number of businesses increased by 280 or 10.1% with the largest increase in number and percent being in general automotive repair and other personal services, a lower wage category. There were 1857 new jobs created, a 3.71% increase with most new jobs in the mining and oil and gas area one of the highest per capita wage paying categories followed by construction field, also a higher than average wage category. Overall, there was a 7.44% increase in per capita wages, significantly greater than inflation.

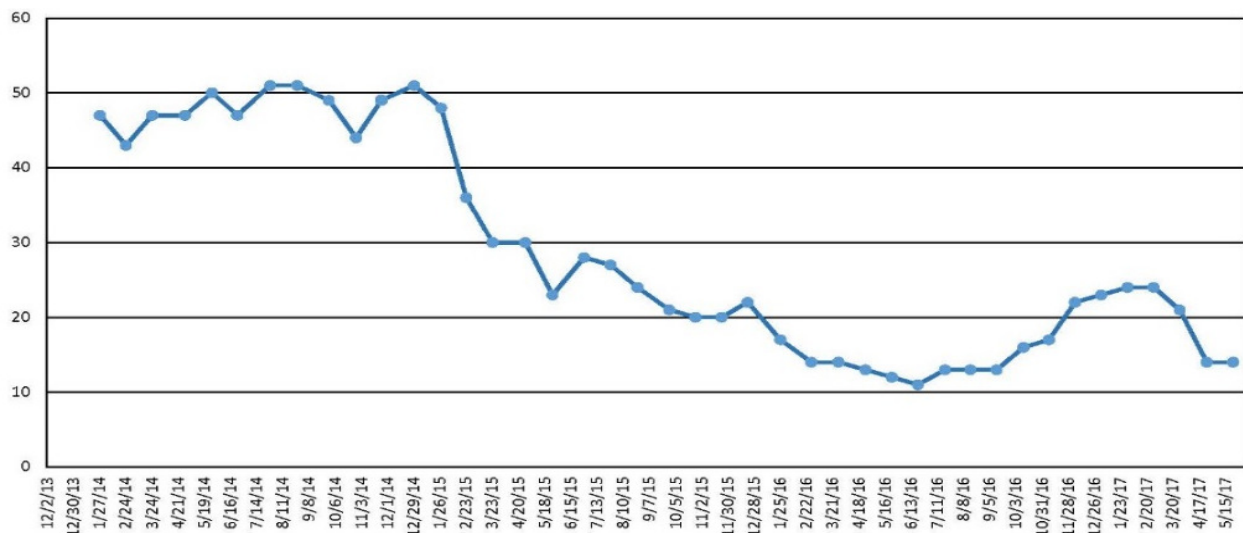
Table 5-4 Q2 2016-2017 Changes in Employment and Wages by Industry

INDUSTRY	CHANGE IN NUMBER OF BUSINESSES	PERCENT CHANGE IN OF BUSINESSES	CHANGE IN NUMBER OF EMPLOYEES	PERCENT CHANGE OF EMPLOY- MENT	CHANGE IN TOTAL WAGES Q2 OF 2016	CHANGE IN Q2 AVG WAGE	CHANGE IN ANNUALIZED AVG WAGE	PERCENT CHANGE OF TOTAL WAGES
AGRICULTURAL/ FORESTRY/ FISHING/ HUNTING	3	8.33%	-51	-13.72%	\$ (225,867)	\$ 552	\$ 2,209	-7.71%
MINING-NATURAL GAS/OIL, OIL/GAS OPERATIONS/DRILLING	8	11.11%	808	47.62%	\$ 17,455,142	\$ 1,777	\$ 7,109	63.93%
UTILITIES	1	12.50%	4	4.14%	\$ (153,663)	\$ (2,423)	\$ (9,688)	-7.05%
CONSTRUCTION	14	5.88%	234	11.96%	\$ 4,828,439	\$ 853	\$ 3,411	19.49%
MANUFACTURING	1	1.15%	24	0.41%	\$ (858,929)	\$ (187)	\$ (750)	-1.40%
WHOLESALE TRADE	0	0.00%	1	0.05%	\$ (257,845)	\$ (204)	\$ (816)	-1.22%
RETAIL TRADE	5	1.59%	87	1.53%	\$ 1,975,258	\$ 238	\$ 952	4.99%
TRANSPORTATION/WAREHOUSING	1	0.89%	204	15.67%	\$ 4,701,963	\$ 1,400	\$ 5,600	28.41%
INFORMATION	2	5.88%	-8	-1.17%	\$ (219,345)	\$ (192)	\$ (770)	-2.87%
FINANCE/INSURANCE	-3	-1.62%	-104	-4.54%	\$ (7,196,306)	\$ (2,492)	\$ (9,968)	-18.47%
REAL ESTATE/RENTAL/LEASING	4	2.86%	95	13.94%	\$ 1,330,365	\$ 515	\$ 2,058	19.95%
PROFESSIONAL/SCIENTIFIC/TECHNICAL SERVICES	5	2.06%	104	10.88%	\$ 1,539,809	\$ 194	\$ 778	12.56%
MANAGEMENT OF COMPANIES/ENTERPRISES	6	37.50%	124	10.90%	\$ 6,640,826	\$ 3,026	\$ 12,104	25.64%
ADMIN/SUPPORT/WASTE MNGMT/REMEDATION SERVICES	33	26.19%	-50	-1.49%	\$ 2,658,292	\$ 893	\$ 3,573	13.00%
EDUCATION SERVICES	2	5.00%	-42	-0.64%	\$ 2,651,076	\$ 455	\$ 1,819	4.80%
HEALTHCARE AND SOCIAL ASSISTANCE	46	17.42%	-23	-0.33%	\$ 1,068,569	\$ 199	\$ 795	1.28%
ARTS/RECREATION/ENTERTAINMENT COMPANIES	4	12.90%	56	14.01%	\$ 388,825	\$ 431	\$ 1,726	28.34%
ACCOMODATION/FOOD SERVICE	41	20.10%	164	3.68%	\$ 1,822,830	\$ 253	\$ 1,014	10.33%
GENERAL AUTOMOTIVE REPAIR & OTHER PERSONAL SERVICES	82	30.48%	199	14.12%	\$ 954,903	\$ (335)	\$ (1,342)	9.02%
PUBLIC ADMINISTRATION	5	31.25%	30	1.02%	\$ (862,146)	\$ (413)	\$ (1,650)	-2.31%
TOTALS	260	10.10%	1,857	3.71%	\$ 38,242,196			
AVERAGE						\$ 594	\$ 2,376	7.44%

Uncertainty in oil and gas

The price of West Texas Intermediate crude oil has dropped from \$105.79 per barrel on June 24, 2014 to under \$30.00, prices not seen since 2004. It recovered to between \$50.00 and \$60.00 per barrel through much of 2016. It has since recovered to between \$60.00 and \$70.00 per barrel during early 2018. The number of oil and gas drilling rigs operation in Weld County closely follows the price of oil on the commodity markets. As technological innovation reduces the need for workers, per drilling rig employment is dropping significantly from the 100 to 125 which was typical in 2015. In fact, in Canadian Oil and gas fields the need for labor is reduced by

Figure 5-2: Oil and Gas Drilling Rigs Operating in Weld County



as much as 2/3 from 2015 figures. (<https://www.epmag.com/study-only-one-third-canadian-oil-patch-job-losses-expected-return-1679346#p=full> Accessed 1/22/18).

Long-term U. S. real wage trends

A long-term trend in the American economy is the decline in real wages as higher wage jobs are lost to automation and the international labor market and replaced by lower wage jobs in service industries. Lower wage workers are less likely to be able to afford the mortgage payments on single-family homes. Many of the recently created high wage jobs are in the energy industry, which is subject to rapid changes in unemployment. Many energy workers have been reluctant to invest in single-family housing even if they can afford it, because they may need to relocate within a short timeframe.

Figure 5-3 shows that U. S. adjusted household income increased along a bumpy line from 1965 through 2000 and then stagnated along another bump line through 2016. Although the most recent trends since 2012 show an increase, household income has not surpassed the year 2000.

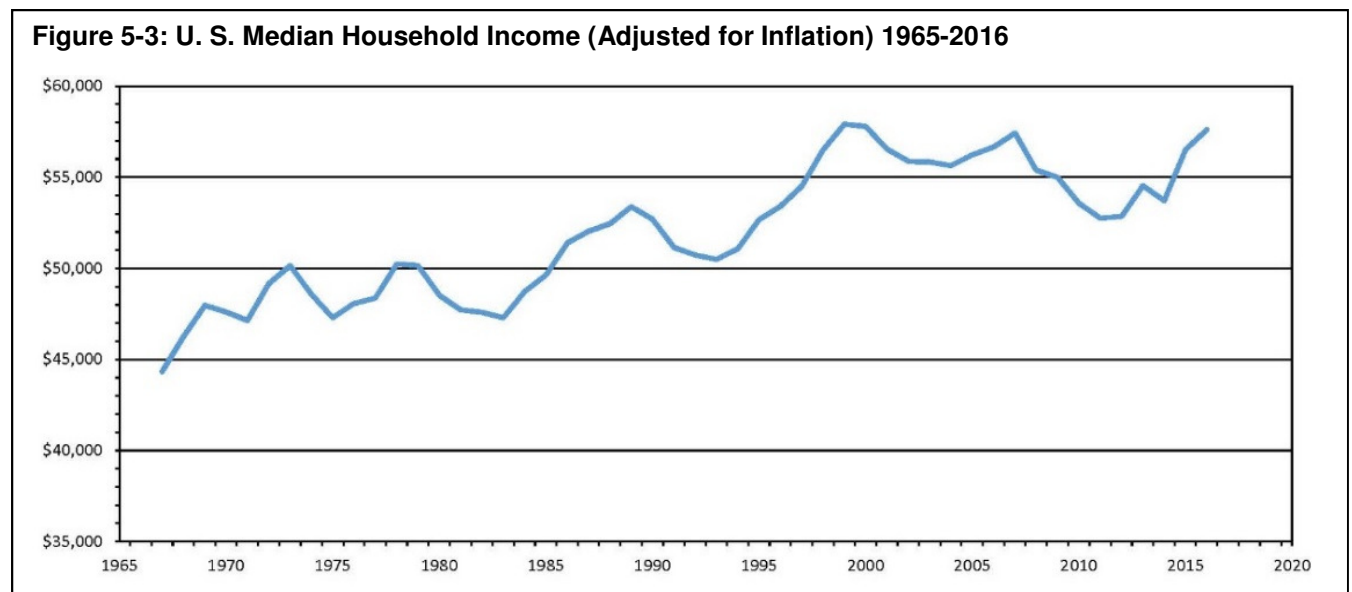
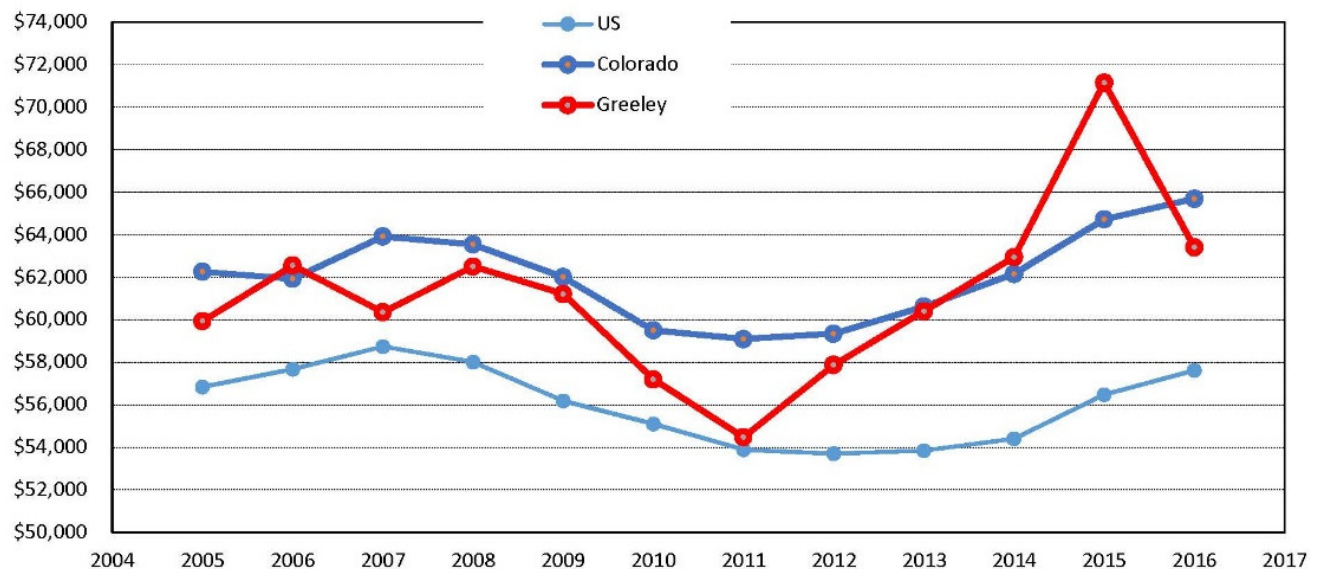


Figure 5-4 shows the inflation-adjusted median household incomes for the U. S., Colorado, and Greeley from 2005 through 2015. U. S. real median household income adjusted for inflation peaked in 2007 at \$57,211. From 2007 until 2012, real median household income declined 7.4% to \$52,970. Since then it has recovered to 99 % of its 2007 high, \$56,593 in 2016 (the latest year for which median household income is available). Colorado's real median household income adjusted for inflation also peaked in 2007 at \$63,042 and declined by 15.4% to \$58,304 in 2011. Since then it has increased to a peak of \$71,144 in 2015 before dropping back to \$63,400 in 2016.

While the U.S., Colorado, and Greeley economies all expanded significantly during the 2016, adjusted household income (the best income indicator for the ability to afford housing) has not been keeping up. This is still above the U. S. median household income but back below the Colorado median income for the first time since 2013.

Figure 5-4: Historical Inflation Adjusted Median Household Income of the U. S., Colorado, and Greeley 2005 -2016



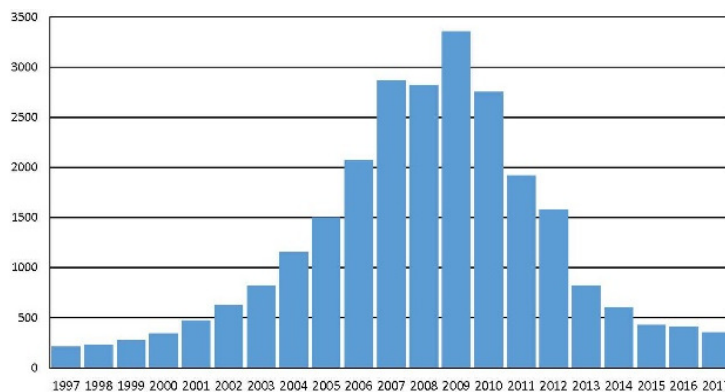
Jobs-Housing Balance

There were approximately 51, 979 jobs in Greeley during the second quarter of 2017. At the beginning of 2017, there were 38,888 housing units in Greeley for a jobs to housing ration of 1.34. That means that for every housing unit there were 1.34 jobs.

VI TRENDS THAT AFFECT RESIDENTIAL BUILDING IN GREELEY

There are several trends that can help explain why the new construction rates have fallen in Greeley since 2015 when compared to the rest of Northern Colorado. These include a high housing vacancy rate at the end of the Great Recession, difficult financing for land development since the Great Recession, the large number of foreclosures that occurred during the Great Recession, and the rapid increase in the cost of raw water rights at the end of the Great Recession.

Figure 6-1: Weld County Foreclosures by Year 1997-2017



Greeley had been particularly hard-hit by the recession leading to a high foreclosure rate and high housing vacancy rates. A lack of available financing helped to hold residential building rates down through early 2013. As the financial picture improved, subdivisions that had been dormant were absorbed and built out from late 2013 through 2016. Because financing was available for the development of available multi-family sites,

multi-family units made up a higher than expected proportion of new housing until in 2017, where it made up 68% of the new housing starts in Greeley. It is important to note, however, that this same trend toward a greater percentage of multi-family housing is also occurring in Fort Collins and Loveland, for example, even while the number of single-family housing units is also increasing there. Figure 6-1 shows the number of foreclosures from 2007 to 2017. Since the peak of over 3000 foreclosures in 2009, the number of foreclosures per year has declined by nearly 90% from 3354 to 354.



Figure 6-2 shows the Greeley housing vacancy rate from 2010 to 2017. The single-family rate has declined steadily since that time indicating a tightening of the housing market. The multi-family vacancy rate, on the other hand, has been quite volatile. It rises suddenly as new large projects come on-line and drops rapidly as the new units are absorbed. When it is examined on a quarterly basis,

it appears to be even more volatile. It is generally accepted by economists that a balanced market in multi-family is when the vacancy rate is approximately 5%.

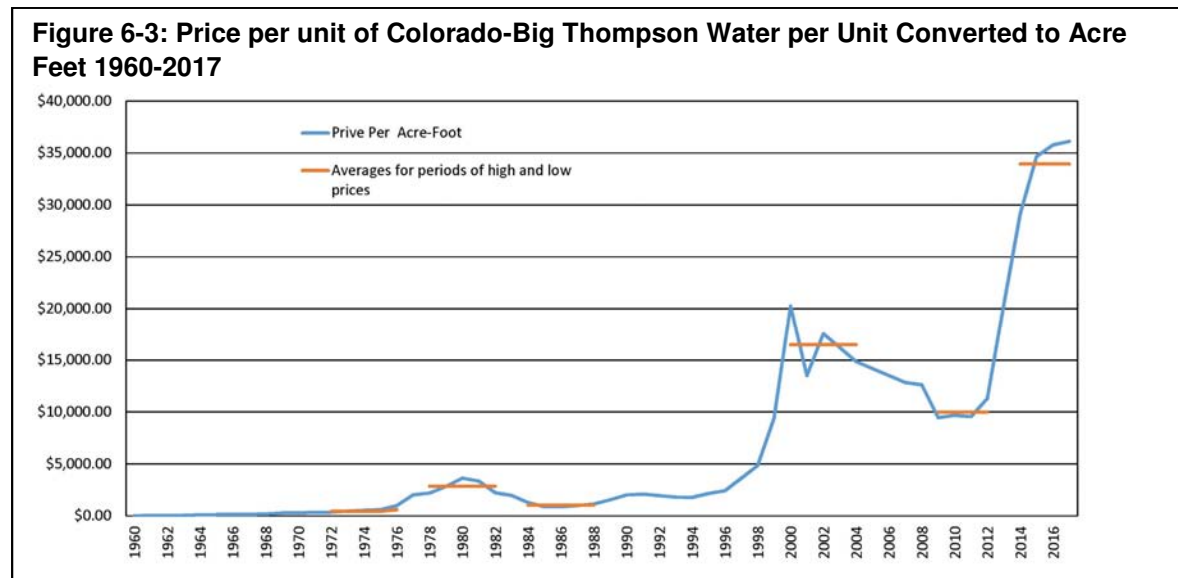
Financing

One of the causes of the Great Recession was the relaxation of standards for mortgages and financing for land development projects. Once the recession occurred and foreclosures increased, banking standards tightened financing for land development projects. Without bank financing, land development projects became difficult to finance. With the loss of private finance, public finance became more important. Many of Colorado's municipalities increased the use metropolitan districts as a tool for financing land development projects. It appears, for example, that the use of metro-districts enabled Windsor and Severance to increase development and building activity. If there were to be an increase in the use of metropolitan-districts approved in Greeley, an increase in subdivision and building activity could be expected.

Raw Water

One of the major issues for growing communities is the availability of water rights needed to meet the demand for water for commercial, industrial, and residential users. As the right to use most available water in Colorado has been appropriated, the primary source of water for urban uses has been through the purchase of agricultural water rights. The most valuable rights in Northern Colorado are senior rights diverted from rivers close to the mountains and treatment plants or Colorado-Big Thompson water units. As more of this water is acquired for present and future urban expansion, the price escalates especially during recoveries after recession. With the recovery from the last recession, the price of raw water, especially Colorado Big Thompson water more than tripled in price from an average of approximately \$10,000 per acre foot from 2009 to 2012 to an average of approximately \$34,000 per acre foot since 2014. (See Figure 6-3).

For each acre of raw land developed for residential uses, Greeley requires three acre feet of raw water, which if it is Colorado Big Thompson water, costs \$ 102,000 per acre. At Greeley’s average gross density of 3.43 units per acre, each single-family residence requires approximately 0.875 acre-feet of raw water, meaning



that this additional cost of raw water contributed approximately \$21,000 to the price of each home. This cost increases the household income necessary to qualify for a 30-year mortgage for a new home by approximately \$8,400.

The price charged for raw water within each jurisdiction varies with local policy. The raw water requirements in Greeley impose approximately the average cost burden in Northern Colorado. However, given the more modest incomes in Greeley and the lower ability to purchase housing, this average cost burden would depress the ability of many families to purchase housing.

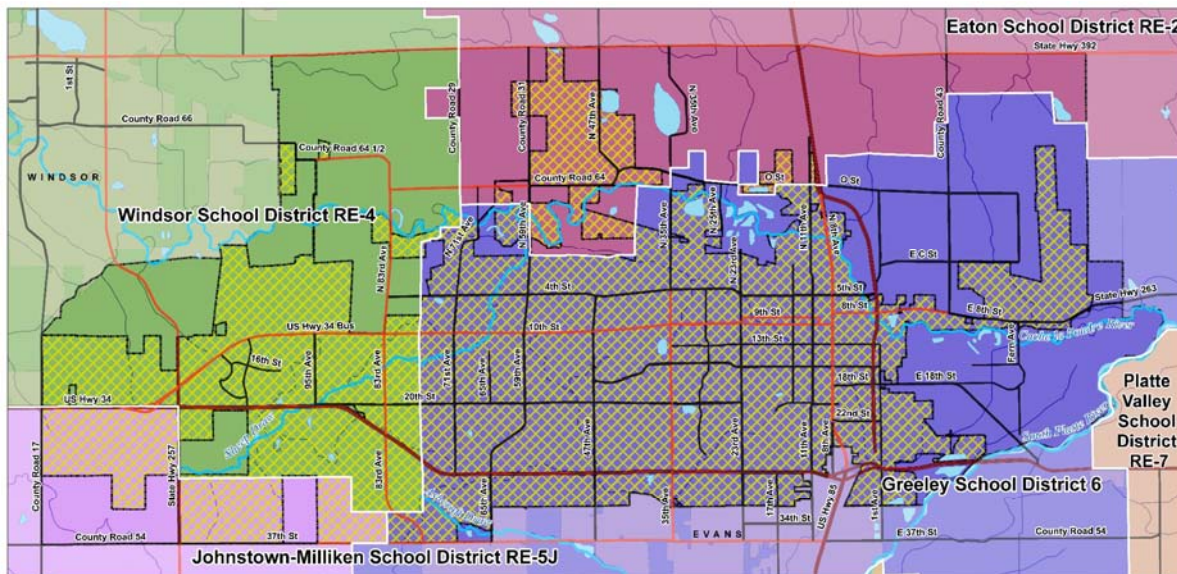
With increased density, the per-unit water burden is reduced proportionally since approximately half of treated water is used for outdoor water use. Figure 6-4 shows how increasing density could reduce the cost of raw water per unit. Increasing density in residential developments is a key recommendation of *Imagine Greeley*, the update of the Greeley Comprehensive Plan.

Increased density reduces the need for raw water in two ways: first by increasing the number of housing units paying for raw water on each acre, and secondly, by covering more of each acre with roofs and pavement, thereby reducing the demand for irrigation.

Density (Residential Units per Acre)	Value (per acre)
2.5	\$28,500.00
3.0	\$24,000.00
4.0	\$18,000.00
5.0	\$14,000.00
6.0	\$11,500.00
7.0	\$10,000.00
8.0	\$8,500.00
9.0	\$7,500.00
10.0	\$7,000.00

K-12 Schools in Growth Areas

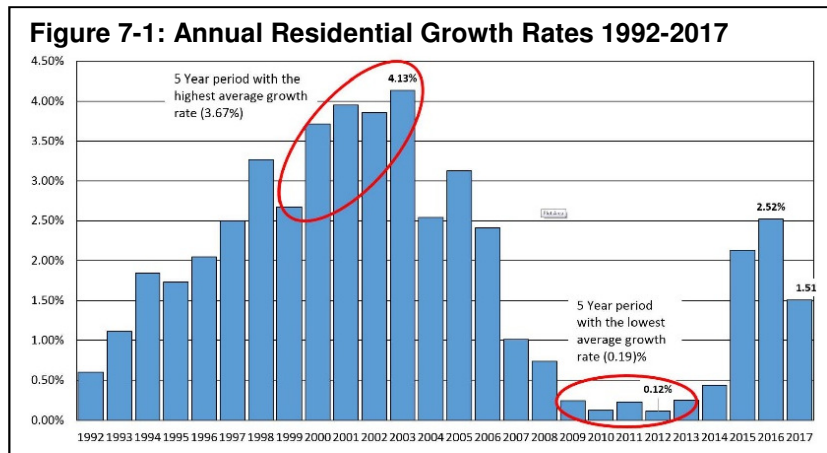
Figure 6-5: Map of School Districts in Greeley



1960s and shortly thereafter. As a result there has been a limited need for new school sites in recent years. In the Windsor School District, however, much of the residential development has been since 1990. Colorado Law permits local governments to require school site dedications for new K-12 schools and some municipalities collect fees in lieu of site dedication when there is not a feasible site within a development. Both Windsor and Severance have been implementing these policies and the Windsor School District has been building new schools in these jurisdictions in response. The Windsor School District is planning for its next school bond issue in the early 2020s and there are not any current plans to build schools in Greeley since there is no mechanism to provide school sites. This means that for the foreseeable future, Greeley students attending Windsor Schools will be bussed the either Windsor or Severance.

VII POTENTIAL SCENARIOS AND GROWTH PROJECTIONS

During the last 20 years Greeley's housing growth rate has varied from as low as 0.12% in 2012 to as high as 4.67% in 2003. The five-year periods with the highest and lowest housing growth



rates also included these years. From 1999 through 2003, Greeley's housing stock grew at an average rate of 3.67%, the highest five-year average housing growth rate. From 2009 through 2013, the City's housing stock grew at an average rate of 0.19%, the lowest five-year average housing growth rate. It is unlikely that

Greeley's average annual housing growth rate will fall outside these limits.

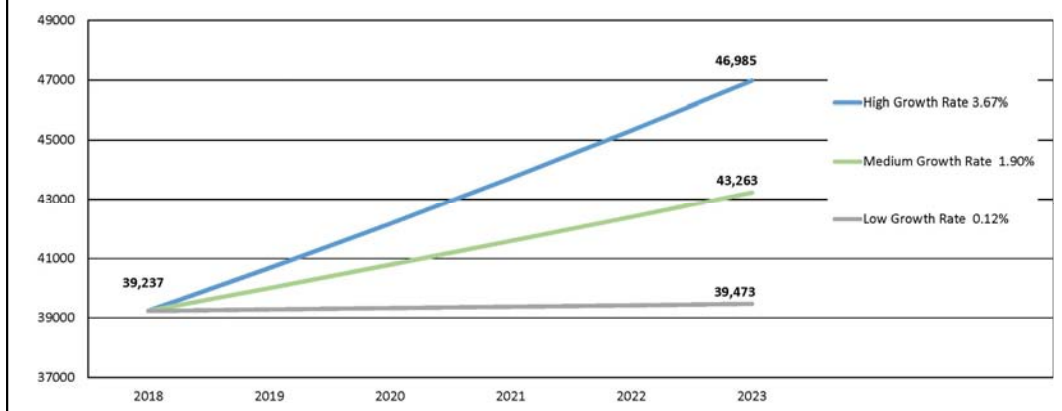
Table 7-1: New Units based on High Average, and Low Growth Rates

	High Growth Rate 3.67%	Medium Growth Rate 1.90%	Low Growth Rate 0.12%
2018	1440	769	47
2019	1493	784	47
2020	1548	799	47
2021	1604	815	47
2022	1663	831	47
2023	1724	847	47

Table 7-2: Total Units based on High Average, and Low Growth Rates

	High Growth Rate 3.67%	Medium Growth Rate 1.90%	Low Growth Rate 0.12%
2018	39237	39237	39237
2019	40677	40006	39284
2020	42170	40790	39331
2021	43717	41590	39378
2022	45322	42405	39426
2023	46985	43236	39473

Figure 7-2: 2018-2023 Housing Growth Scenarios



Two trends that could affect the number of residential building permits in Greeley are how quickly metropolitan districts can be implemented and made ready for permits, and the potential for a recession likely to occur in late 2019 or early 2020 and likely to last approximately nine months based on projections from several economists.

Table 7-3: Forecast Units Permitted 2018-2023

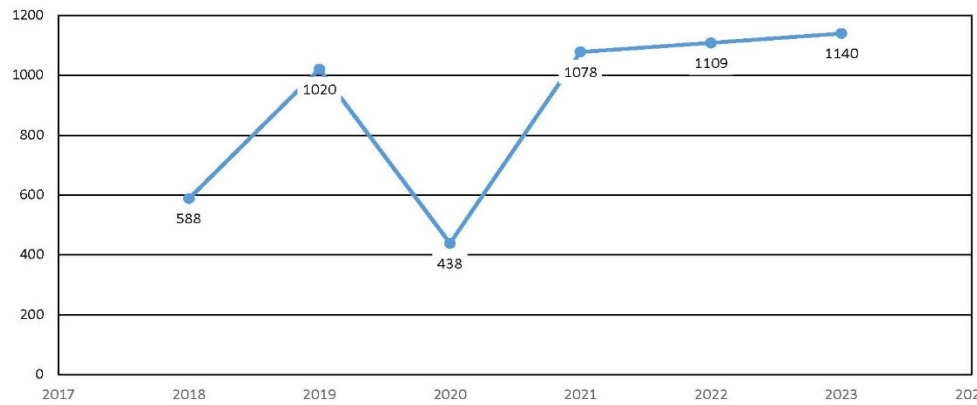
	Forecast Growth Rate	New Units Permitted 2018-2022	Forecast Total Housing Units
2018	1.45%	569	39237
2019	2.53%	1020	40257
2020	1.04%	423	40681
2021	2.58%	1078	41759
2022	2.59%	1109	42867
2023	2.59%	1140	44007

Depending on how long it takes for the approval of new metropolitan districts and development construction, an increase in single-family building permits is anticipated either in the second half of 2018 or in early 2019. This increase is likely to mean that the number of new single-family units permitted in Greeley will be closer to proportionate to its population.

The residential building permit forecast assumes a continuation of the current low rate of building

permit activity until the second half of 2018 at which time newly developed lots will become permit-ready. For the next year or longer if the economy remains strong, residential permit activity should remain strong at over 1000 units per year. Assuming a shallow recession in late 2019 or 2020, the number of new permits will drop below 1000 and then recover in 2021 and 2022.

Figure 7-3: Forecast New Units Permitted 2018-2023



This projection fits between the extremes of 0.19% and 3.97% per year and, in fact approximates the average rate of growth that Greeley has occurred historically in Greeley.

Figure 7-4: Scenarios and Forecast Housing Stock 2018-2023

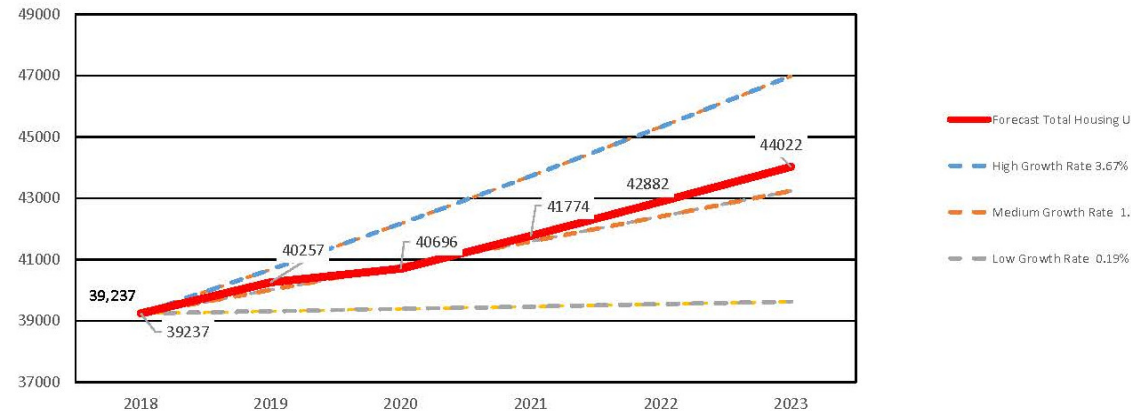
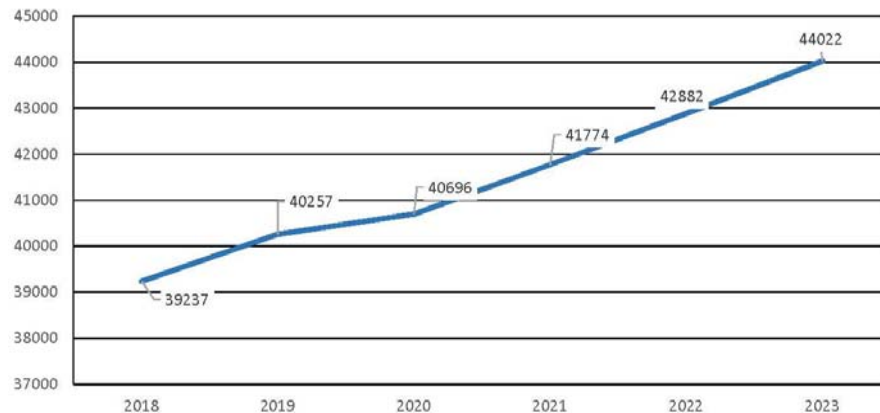


Figure 7-5: Forecast Housing Stock 2018-2023



It is anticipated that the trend toward higher density multi-family housing that began during the most recent recovery will continue.

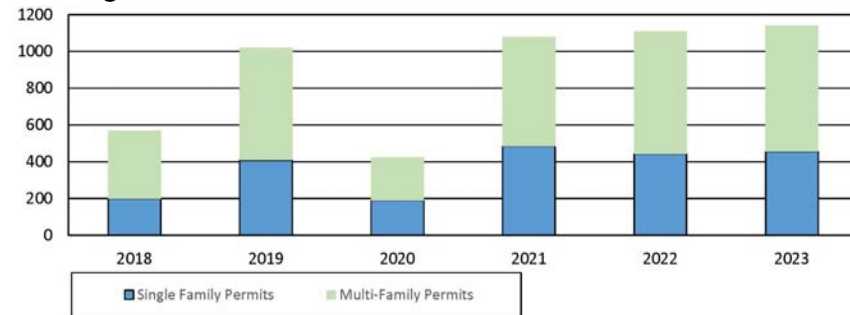
Table 7-4: Projected Split between Single-family and Multi-Family Permits

	Total New Housing Permits	Single Family Permits	Multi-Family Permits
2018	569	199	370
2019	1020	408	612
2020	423	191	233
2021	1078	485	593
2022	1109	443	665
2023	1140	456	684

It is expected that trends in place will continue as they have since 2012. Long-term diversification of Northern Colorado's economy is expected to continue, and this has, and will continue to have, a positive effect on Greeley. It is anticipated that much of the pent up demand for housing should be addressed after 2018. Although a recession in 2019 or 2020 will slow residential building in Greeley, it is projected that Greeley's long-term growth rate

will revert to approximately 1.8 % for the foreseeable future. As land with water already dedicated is absorbed and single-family housing becomes less affordable, market forces will likely mean that a higher proportion of these housing units will be multi-family because of the lower cost per unit of raw water and tap fees putting Greeley more in line with the residential growth trend in other Northern Colorado municipalities for the last five years.

Figure 7-6: Projected Split of Single and Multi-Family Housing Permits 2018-2023



VIII BIBLIOGRAPHY

- Barnett, J. L. (2017) *Annual Growth and Development Projections Report*. City of Greeley.
- Colorado Department of Labor and Employment. 2017, December. *Area Profile*. Retrieved Jan 10, 2018, from Colorado LMI Gateway: Colorado LMI Gateway.com/analyzer/session/session.asp?cat=CUR Profiles AREA
- Colorado Oil and Gas Conservation Commission. (2018, Jan 10). *Colorado weekly and monthly oil and gas statistics*. Retrieved Feb 25, 2015, from www.colorado.gov/cogcc: <https://cogcc.state.co.us/Library/Statistics/CoWklyMnthlyOGStats.pdf>
- Community Development Department. (2018). *Unpublished data*.
- Community Development Department. (2017, December). *Monthly Construction Report*. City of Greeley.
- Leeds School of Business. (2018). *Fiftieth annual colorado business economic outlook*. Boulder: University of Colorado.
- Lowandowski, B. (2016). Economic Forecast. *Northern Colorado Economic Outlook*. Loveland, CO: BizWest.
- Throup, R. (2017). *Colorado Multi-Family Housing Vacancy & Rental Survey: Third Quarter 2017*. Denver: Colorado Division of Housing.
- Water and Sewer Department. (2018). *Zero water consumption by year*. City of Greeley.

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE X

NO ENCLOSURE

ITEM NUMBER: 5

TITLE: ACTION: APPROVE CASH-IN-LIEU
RESOLUTION

RECOMMENDATION: APPROVE CASH-IN-LIEU RESOLUTION

ADDITIONAL INFORMATION:

As envisioned by the Raw Water Strategy in the 2003 Water Master Plan, new development in Greeley would likely occur on land with water rights associated with it (primarily Greeley-Loveland Irrigation Company shares) or dedicated Colorado-Big Thompson water to meet their raw water needs. This policy was to remain in effect until new water supplies had been developed in the Future Water Account and the availability of raw water for dedication became limited. At that point, new development would transition to paying cash-in-lieu rather than dedicating raw water rights. Given the limited remaining areas with associated water rights and the increasing demand and cost for Colorado-Big Thompson water, staff believes it is appropriate to transition to cash-in-lieu at this time.

Staff presented a conceptual plan for transitioning to cash-in-lieu in April and sought Water and Sewer Board member feedback on the proposal. Staff will present the modified proposal and seek Board approval of the enclosed Resolution. If the Board approves the enclosed Resolution, cash-in-lieu will be set at \$27,000 per acre foot, effective July 1, 2018.

GREELEY WATER AND SEWER BOARD
RESOLUTION NO. 7, 2015

**RESOLUTION SETTING FORMULA FOR CALCULATING FAIR MARKET VALUE
OF WATER FOR PURPOSES OF SETTING CASH-IN-LIEU RATES**

WHEREAS, Municipal Code Section 14.24.100 specifies the City may accept cash-in-lieu of raw water dedication, based upon the fair market value of the water required to be dedicated as more particularly described therein; and


WHEREAS, the Water and Sewer Board desires to specify the method by which fair market value is to be determined when setting cash-in-lieu rates.

NOW, THEREFORE, BE IT RESOLVED BY THE GREELEY WATER AND SEWER BOARD AS FOLLOWS:

The fair market value of water for purposes of setting cash-in-lieu rates shall be calculated quarterly based on the rolling three-year average price per Colorado-Big Thompson ("C-BT") unit, adjusted to account for the Board's firm yield ratio for C-BT units (i.e., dividing such average price by 0.75).


PASSED AND ADOPTED, SIGNED, AND APPROVED THIS 18th day of November, 2015.

ATTEST:



Roy Otto, Secretary

**GREELEY WATER AND SEWER
BOARD**



By: Harold G. Evans, Chairman

CITY OF GREELEY, ACTING BY AND THROUGH
ITS WATER AND SEWER BOARD

RESOLUTION NO. 14, 2014

A RESOLUTION OF THE GREELEY WATER AND SEWER BOARD AMENDING AND RESTATING THE CRITERIA AND STANDARDS TO BE FOLLOWED BY THE WATER AND SEWER DEPARTMENT ("DEPARTMENT") IN ACCEPTANCE OF RAW WATER FOR DEVELOPMENT, AND THE DEPARTMENT'S AUTHORITY TO ACCEPT PAYMENTS OF CASH-IN-LIEU OF RAW WATER.

WHEREAS, the City of Greeley (the "City" or "Greeley") is a Colorado home-rule municipality empowered pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution to, inter alia, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within it without its territorial limits, for the use of the City; and,

WHEREAS, Section 17-4 of the Charter of the City empowers and requires the Greeley Water and Sewer Board (the "Board") to acquire, develop, convey, lease, and protect water and sewer assets, supplies, and facilities; and,

WHEREAS, Chapter 14.24 of the City Municipal Code (the "Code") requires persons who desire to annex property to or subdivide property within the City to provide, at no cost to the City, adequate water rights, including Northern Colorado Water Conservancy District allotments (Colorado Big-Thompson Project units), irrigation water and carriage rights which the City, at the City's sole determination, can use in its system, as a prerequisite and as part of the consideration to receive City water service and City water taps for the property, which water rights shall meet legal criteria under Colorado law necessary to convert them to municipal use in amounts sufficient to meet the projected water demands of the development(s) located on the property; and,

WHEREAS, Section 14.24.100 of the Code provides that, if land undergoing annexation or subdivision is dry (i.e., without historical agricultural water rights associated therewith), the City shall have the option to require the owner, lessee, subdivider or developer thereof to furnish raw water rights as previously described to pay to the City in cash or the cash equivalent of the three (3) acre-feet of water per acre of land, or of the water so required, based upon the fair market value of water; and,

WHEREAS, Section 14.24.095 of the Code requires in part that all water stock, rights or shares transferred to the City in satisfaction of raw water requirements set forth in the Code shall meet legal criteria under Colorado law necessary to convert water to municipal use; and

WHEREAS, Board Resolution No. 3, 1995, originally adopted October 27, 1995 and amended April 23, 1998 ("Resolution No. 3"), provides in part that land which has not been continuously irrigated by agricultural water rights according to criteria set forth

therein and elsewhere and which undergoing development must satisfy the City's raw water requirement either by the transfer of Colorado-Big Thompson Project ("C-BT") units or the payment of the cash equivalent of the amount of water so required ("cash-in-lieu"); and

WHEREAS, Board Resolution No. 3 also provides that cash-in-lieu payments that exceed the cash equivalent of six acre-feet must be approved by the Board; and,

WHEREAS, Board Resolution No. 1, 1995, established the yield value of shares under the Greeley-Loveland Irrigation System and units of C-BT used to satisfy the City's raw water requirements; and,

WHEREAS, Board Resolution No. 8, 1998, established the yield value of shares under the Greeley Irrigation Company and the conditions under which those shares may be used to satisfy the City's raw water requirements; and,

WHEREAS, Board Resolution No. 4, 2008, was adopted to make explicit the requirement for receipt of dry-up covenants in connection with the dedication of water stock to satisfy City raw water requirements, and to place the 1998 Amendment with the remainder of the primary requirements of the former resolution; and,

WHEREAS, the Board desires to increase the Department's authority to accept cash-in-lieu payments up and to the cash equivalent of eight acre-feet without further approval by the Board; and,

WHEREAS, several provisions in Resolution No. 3 are no longer applicable, and thus the Board deems it necessary to amend and restate the relevant and necessary requirements for raw water dedication and cash-in-lieu.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

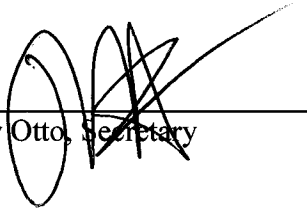
1. The agreements wherein the City purchased Greeley Loveland, Lake Loveland, or Seven Lakes Irrigation Companies water rights contained a five-year provision for the seller to satisfy the Board's raw water requirement for development of the land identified in the water purchase agreement by payment of cash-in-lieu at the prices established in the purchase agreement. The five-year period in which the option to pay cash-in-lieu at such prices could have been exercised has expired and cannot be extended or revived.
2. All agricultural water rights accepted by the City in satisfaction of the raw water requirements for development shall have a history of use on the land being developed and shall meet all of the following criteria:
 - a. The land being developed was historically irrigated prior to 1969 under the ditch system from which such water rights are offered to the City.

- b. The land being developed was consistently irrigated under the same ditch system since 1969.
 - c. Such water rights were used to irrigate the farm being developed. Agricultural water rights will not be accepted by the City if they were not historically used to irrigate the land being developed.
 - d. Except as specifically provided in Board Resolution No. 8, 1998, such water rights must be usable by the City, in the City's sole determination, for domestic treatment and delivery.
- 3. A restrictive covenant in a form acceptable to the City, requiring the cessation of irrigation on the historically irrigated land, will be required to be executed by the owners of the land and any lienholders prior to the City's acceptance of any agricultural water rights that have been found to satisfy the criteria set forth under Section 2.
 - 4. Land which has not been continuously irrigated by agricultural water rights according to the criteria set forth above and elsewhere and which is undergoing development must satisfy the City's raw water requirement either by the transfer of C-BT units or the payment of cash-in-lieu, at a rate per acre-foot that is determined by the Board from time to time in its discretion. Cash-in-lieu payments in excess of eight acre-feet of dedication credit must be approved by the Board.
 - 5. In the event of any conflict between this Resolution and the raw water requirements codified in Municipal Code Section 14.24.100 through 14.24.190, the Municipal Code shall prevail.

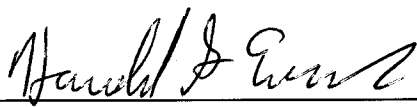
PASSED AND ADOPTED, SIGNED AND APPROVED this 19th day of November, 2014.

ATTEST:

**GREELEY WATER AND SEWER
BOARD**



Roy Otto, Secretary



Harold G. Evans, Chairman

WATER & SEWER BOARD

RESOLUTION NO. 8 OF 1998

**YIELD VALUE OF GREELEY IRRIGATION COMPANY (GREELEY NO. 3 CANAL)
WATER STOCK FOR DEDICATION PURPOSES**

WHEREAS, The Water and Sewer Board Resolution No. 1 of 1995 specifies the yields of specific stock to be used in satisfying the City's raw water requirement;

WHEREAS, The Water and Sewer Board Resolution No. 1 of 1995 is silent on the yield value of Greeley Irrigation Company (Greeley No.3 Canal) stock;

WHEREAS,

NOW, THEREFORE, BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO, THAT THE FOLLOWING CRITERIA AND STANDARDS SHALL BE FOLLOWED BY THE WATER AND SEWER DEPARTMENT IN ACCEPTANCE OF GREELEY IRRIGATION COMPANY STOCK FOR PURPOSES OF SATISFYING THE CITY'S RAW WATER REQUIREMENT:

1. All agricultural Greeley Irrigation Company water rights accepted by the City in satisfaction of the raw water requirements for development within the City of Greeley shall meet the following criteria:

- a. The land being developed was historically irrigated under the Greeley Irrigation Company (GIC) ditch system per Case No. 96CW658. GIC stock will not be accepted for any lands under the ditch that were not historically irrigated.
- b. GIC Water Stock dedication for residential and commercial land being annexed and developed within the City of Greeley shall use the following formulas:

RESIDENTIAL - Dedication of GIC stock will be accepted up to 2 AF / acre, not to exceed 2/3 of the total raw water requirement for the land being developed, any remaining obligation shall be met with C-BT or current cash in lieu policy as set by Water and Sewer Board resolution.

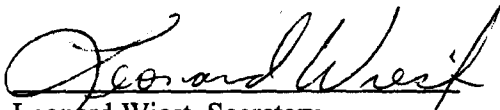
COMMERCIAL - Dedication of GIC stock to the City will be accepted up to 2 AF / acre for the land being developed, any remaining obligation shall be met with C-BT or current cash in lieu policy as set by Water and Sewer Board resolution. Raw water obligation based on tap size per Ordinance Number 14.24.000.

- c. Equivalent acre foot value of one share of Greeley Irrigation Company stock is set at 10.3 acre feet.
 - d. Water Stock dedication shall be in compliance with and shall not create a violation of the terms and conditions of Case. No. 96CW658 or any subsequent decrees concerning GIC water stock transfers.
2. A restrictive covenant assigning the specific dry up of the lands being developed to the City must be in place and recorded with the Weld County Assessors Office in coordination with the dedication of stock to the City.
3. In the event of any conflict between this Resolution and the raw water requirements codified in the Municipal Code Section 14.24.100 through 14.24.190, Municipal Codes shall prevail.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS 17th DAY OF November, 1998.

ATTEST:

WATER AND SEWER BOARD


Leonard Wiest, Secretary


Richard A. Boettcher, Chairman

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 6

TITLE: ACTION: APPROVE GLOVER GRAZING
LEASE

RECOMMENDATION: APPROVE GLOVER GRAZING LEASE

ADDITIONAL INFORMATION:

Greeley owns agricultural property consisting of approximately 137 Acres of land located in part of the West Half of the West Half of Section 34, Township 6 North, Range 66 West, of the 6th P.M., in Weld County, Colorado. City desires to lease, under the terms of this Lease Agreement, the Property solely for grazing purposes to Glover Farms. This annual lease of the Property shall begin on the date this Lease Agreement is fully executed and end on December 31, 2018. Glover shall pay to the City Nine Hundred Dollars (\$900.00) ("Annual Lease Amount") in 2018 dollars, for use and occupancy of the Property.

GRAZING LEASE AGREEMENT

This GRAZING LEASE AGREEMENT ("Lease Agreement") is entered this ____ day of May 2018, between the CITY OF GREELEY, a Colorado Home Rule Municipality, whose address is 1000 10th Street, Greeley, Colorado 80631 (the "City" or "Greeley") and Terry Glover, doing business as Glover Farms, acting as an individual, whose address is 3907 W. 4th Street Road, Greeley, Colorado 80634 ("Glover").

RECITALS

WHEREAS, Greeley owns agricultural property consisting of approximately 136 Acres of land located in part of the West Half of the West Half of Section 34, Township 6 North, Range 66 West of the 6th P.M., in Weld County, Colorado, which is more fully depicted on Exhibit A, attached hereto and made a part hereof (the "Property"); and,

WHEREAS, City desires to lease, under the terms of this Lease Agreement, the Property solely for grazing purposes; and,

THEREFORE, for and in good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Glover agree as follows:

LEASE AGREEMENT

1. GRAZING LEASE AGREEMENT. City does hereby lease to Glover the above-described Property for grazing purposes only, subject to the terms and conditions of this Lease Agreement.

2. TERM OF LEASE. This annual lease of the Property shall begin on the date this Lease Agreement is fully executed and end on December 31, 2018.

3. TOTAL ANNUAL LEASE AMOUNT. Glover shall pay to the City Nine Hundred Dollars (\$900.00) for use and occupancy of the Property ("Annual Lease Amount"). The Annual Lease Amount shall be due and payable in two installments, the first installment of Four Hundred and Fifty Dollars (\$450.00) due thirty (30) days after mutual execution of this Lease Agreement and the second installment of Four Hundred and Fifty Dollars (\$450.00) due December 15, 2018.

4. IMPROVEMENTS. There are no structures located on the Property to which Glover is entitled use by this Lease Agreement.

5. CONDITION OF PROPERTY. Prior to signing this Lease Agreement, Lessee has inspected or caused to be inspected the Property and acknowledges that the Property is being leased "as-is." No additional representation, statement or warranty, express or implied, has been made by or on behalf of Greeley as to the condition of the Property. In no event shall Greeley be liable for any defect in the Property or for any limitation on its use for pasture.

6. AUTHORIZED USE OF THE PROPERTY.

- a. Glover shall occupy and use the Property solely for grazing purposes.
- b. Glover shall be responsible for the proper care of the Property consistent with sound agricultural practices.

c. Glover shall apply all weed control chemicals and fertilizers in compliance with applicable federal, state, and local regulations.

d. Glover shall furnish, at Glover's sole expense, all labor, machinery, fertilizer, weed spray, and other items needed for managing the Property.

7. LESSEE'S COVENANTS AND AGREEMENTS.

a. Glover acknowledges that he is solely responsible for ensuring that all livestock are confined to the Property and not permitted to roam onto the Poudre River Trail or other adjacent parcels. Glover shall take all necessary and appropriate action to ensure that livestock are confined to the Property.

b. Prior to any grazing uses on the Property, Glover shall install electric wire fencing to separate the Property from the Poudre River Trail and other neighboring parcels, to ensure that all livestock are confined to the Property. Glover shall utilize no less than two strands of the electric wire fencing to ensure that livestock of all sizes are confined. Such electric wire fencing shall be installed at a distance no less than 30 feet from the Poudre River Trail at any point along the perimeter of the Property.

c. Glover shall install and maintain signage on the fence line inside the edge of the Property to ensure that Poudre River Trail users and all other passersby are given adequate warning that the electric wire fencing is charged. Such signage shall be installed on every fifth post on the fence line inside the edge of the Property, or more frequently and in different locations if deemed necessary by the City in the future.

d. Glover acknowledges that the Property is subject to that certain Deed of Conservation Easement executed by and between the City, the Town of Windsor, and Larimer County on September 6, 2016 and recorded in the real property records of Weld County at Reception No. 4239929. Glover shall conduct all activities pursuant to this Lease Agreement in a manner that is also consistent with the terms and conditions of the Deed of Conservation Easement.

e. Glover shall keep the Property clear of weeds.

f. Glover shall not assign this Lease Agreement nor sublet the Property or any part thereof, nor assign, pledge, or mortgage Glover's interest in this Lease Agreement without the prior written consent of Greeley, which consent shall not be unreasonably withheld.

g. Glover shall not construct, nor permit construction of any structure, building or other improvement, temporary or otherwise, on the Property without Greeley's prior written consent, which consent shall be in the sole discretion of Greeley.

h. Glover shall not erect, paint, or maintain any signs on the Property without securing the prior written consent of Greeley, which consent shall be in the sole discretion of Greeley.

i. Glover shall not allow any noise, odors, fumes, or vibrations on the Property other than those caused by normal agricultural practices that would cause disruption of normal activities on adjacent properties.

j. Glover shall not use or permit to be used any insecticide, pesticide, rodenticide, herbicide, or other chemical substance on the Property for weed, pest, or rodent control or fertilization which is prohibited by any federal, state or local statute, ordinance, resolution, rule or regulation.

k. Glover shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property.

l. Glover agrees, covenants, and warrants to maintain the Property throughout the term of the Lease in as good repair and condition as at the commencement of this Lease Agreement.

m. Glover agrees to deliver up and surrender to Greeley possession of the Property at the expiration or termination of this Lease Agreement.

8. INDEMNIFICATION.

a. Glover assumes the risk of loss or damage to any livestock or any other personal property located on the Property whether from windstorm, fire, earthquake, snow, water run-off, soil conditions, or any other causes whatsoever.

b. Glover releases and agrees to indemnify, defend and hold harmless Greeley, its agents, officers, employees, and volunteers from and against all damages, claims, actions, causes of action, demands, judgments, costs, expenses of every kind and nature, predicated upon injury to or death of any person or loss of or damage to any property, arising, in any manner, from Glover's operations under this Lease Agreement, including, but not limited to, Glover's operation of the required electric wire fencing to contain livestock to the Property.

c. Nothing in this Lease Agreement is intended constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§24-10-101 et seq., as applicable now or hereafter amended.

9. HAZARDOUS WASTE.

a. Glover shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Property by Glover, his agents, employees, contractors, or invitees without the prior written consent of Greeley (which Greeley shall not unreasonably withhold consent so long as Glover demonstrates to Greeley's reasonable satisfaction that such Hazardous Material is necessary or useful to Glover's use of the Property for grazing purposes, and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material).

b. If Glover breaches the obligations stated herein, or if the presence of Hazardous Material on the Property caused or permitted by Glover results in contamination of the Property, or if contamination of the Property by Hazardous Material otherwise occurs for which Glover is legally liable to Greeley for damage resulting therefrom, then Glover shall indemnify, defend, and hold Greeley harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the lease term as a result of such contamination. This indemnification of Greeley by Glover includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Property.

c. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or permitted by Glover results in any contamination of the Property, Glover shall promptly take all actions at its sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Material to the Property; provided that Greeley's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse effect on the Property.

d. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Colorado, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under appropriate state law provisions; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321; (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6903; (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601; or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. § 6991.

10. RESERVATIONS. Greeley reserves its rights under this Lease Agreement to (i) have its officers, employees, and representatives enter and inspect or protect the Property at any time; (ii) use any portion of the Property for public utilities and as ingress and egress for public use and rights of way; (iii) use, repair, install, replace, and maintain public utilities and rights-of-way on, over, or under the Property; and (iv) use any portion of the Property as a site for the application of digested biosolids.

11. TERMINATION FOR CAUSE.

a. Glover agrees to observe and perform the terms and conditions of this Lease Agreement. If Glover fails to make payment of the Annual Lease Amount, or any part thereof, or if Glover fails to observe or perform any term or condition of this Lease Agreement, then Greeley, upon written notice to Glover, may in its sole discretion terminate this Lease Agreement and re-enter and repossess the Property, with or without legal proceedings, using such force as may be necessary, and remove any property belonging to Glover without prejudice to any claim for rent or for the breach of covenants hereof. Glover agrees to indemnify and hold Greeley harmless from and against any costs for the removal and storage of Glover's property incurred by Greeley under the provisions of this section.

b. If Greeley determines that Glover has created a public safety hazard, then Greeley may immediately take action to secure the safe operation of the Property, including without limitation, terminating this Lease Agreement and/or removing Glover and any of Glover's equipment or livestock from the Property.

c. If Glover, after the expiration or termination of this Lease Agreement, shall remain in possession of the Property without a written agreement, the holding over shall be a tenancy from month-to-month at a monthly rental rate equivalent to one-twelfth of the Annual Lease Amount, payable in advance on the first day of each month. No payments of money by Glover after the expiration or termination of this Lease Agreement shall constitute a renewal of this Lease Agreement in the absence of a mutual written agreement of renewal by and between Glover and Greeley.

12. INSURANCE REQUIREMENTS.

a. Glover shall purchase and maintain for the full period of this Lease Agreement, including any additional extension periods, at Glover's sole expense, insurance policies providing coverage as follows:

i. Farm liability insurance, including coverage for bodily injury, property damage, contractual liability, and broad-form property damage and owner/contractor's protective coverage, with a minimum coverage of not less than \$1,000,000.00 or as approved by the City of Greeley Risk Manager; and

ii. Workers' compensation and employers' liability insurance, if applicable, which shall cover the obligations of Glover in accordance with the provisions of the Workers' Compensation Act of Colorado, as amended.

b. Before commencement of the lease term, Glover must present all applicable insurance policies, certificates of insurance, and endorsements, along with a signed copy of this Lease Agreement, to the City of Greeley Risk Manager, and receive the Risk Manager's written approval as to the adequacy of such insurance coverage.

c. The insurance policies shall contain an endorsement naming the City of Greeley, Colorado, a municipal corporation, and its council members, officers, agents, employees, and volunteers as additional insured parties with respect to all activities Glover may perform under this Lease Agreement. Moreover, such endorsement shall include a notice provision requiring 30 days written notice to Greeley before any cancellation.

d. Only insurance companies with authority to issue policies in the State of Colorado shall provide insurance coverage under this Lease Agreement.

e. For the term of this Lease Agreement, Glover shall not cancel, materially change, or fail to renew the insurance coverage, and Glover shall notify the City of Greeley's Risk Manager of any material reduction or exhaustion of aggregate policy limits. If Glover fails to purchase or maintain the insurance coverage stated in this Lease Agreement, Greeley shall have the right to procure such insurance coverage at Glover's expense.

f. Nothing in this Section 12 shall limit the extent of Glover's responsibility for payment of claims, liabilities, damages, fines, penalties, and costs resulting from Glover's occupancy, use, or control of the Property or Glover's performance or nonperformance under this Lease Agreement.

13. STATUS OF LESSEE. Glover shall act under this Lease Agreement as an independent contractor and not as an employee, agent, or joint venture of Greeley. Glover's operations will not be supervised by any employee or official of Greeley, nor will Glover exercise supervision over any employee or official of Greeley. Glover shall not represent that he is an employee, agent, or joint venture of Greeley. Glover shall supply all personnel, equipment, and materials at Glover's sole expense. Glover is not entitled to Workers' Compensation benefits from Greeley, and is obligated to pay federal and state income tax on money earned pursuant to this Lease Agreement.

14. MISCELLANEOUS PROVISIONS.

a. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

b. No waiver or default by Greeley of any of the terms, covenants, warranties, or conditions hereof to be performed, kept, or observed by Glover shall be construed or operate as a waiver by Greeley of any of the terms, covenants, warranties, or conditions herein contained, to be performed, kept, or observed by Glover.

c. Glover agrees that Greeley shall be under no obligation to maintain the Property in a particular condition or for a particular use, and Glover waives all claims for damages of any kind or nature, whatsoever, resulting therefrom.

d. Article and section headings shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Lease Agreement.

e. The provisions of this Lease Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party of the language in question.

f. Glover shall perform all obligations under this Lease Agreement in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended, of Greeley, and all county, state and federal entities having jurisdiction over the Property.

g. None of the terms, conditions, or covenants in this Lease Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than Greeley or Glover receiving services or benefits under this Lease Agreement shall be only an incidental beneficiary.

h. This Lease Agreement is an integration of the entire understanding of the parties with respect to the matters set forth herein. No representations, warranties, or certifications, expressed or implied, shall exist as between the parties, except as specifically set forth in this Lease Agreement. The parties shall only amend this Lease Agreement in writing with the proper official signatures attached thereto.

i. Invalidation of any specific provisions of this Lease Agreement shall not affect the validity of any other provision of this Lease Agreement.

j. Glover acknowledges that this Lease Agreement may not be recorded.

k. This Lease Agreement shall extend to and be binding upon the heirs, successors, and permitted assigns of the parties.

15. NOTICE. Any notice or payment required by this Lease Agreement shall be provided by U.S. mail or hand delivery to Glover or to Greeley at the addresses set forth above, unless the party to receive such notice or payment provides to other party written notice of a change of the address listed above.

IN WITNESS WHEREOF, the City of Greeley and Terry Glover have executed this Lease Agreement as of the date stated in the preamble.

**CITY OF GREELEY, COLORADO, a
Municipal Corporation, acting by and
through its Water and Sewer Board**

Attest:

By: _____
Mayor

City Clerk

**TERRY GLOVER
d/b/a GLOVER FARMS**

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____
2018, by Terry Glover, whose signature appears above.

Witness my hand and official seal.

My commission expires: _____

Notary Public

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ACTION: APPROVE AND CONFIRM
RECOMMENDATION OF APPROVAL TO CITY
COUNCIL OF THE INTERGOVERNMENTAL
AGREEMENT BETWEEN THE UNITED
STATES FISH AND WILDLIFE AND THE CITY
OF GREELEY

RECOMMENDATION: APPROVE AND CONFIRM
RECOMMENDATION OF APPROVAL TO CITY
COUNCIL OF THE INTERGOVERNMENTAL
AGREEMENT BETWEEN THE UNITED
STATES FISH AND WILDLIFE AND THE CITY
OF GREELEY

ADDITIONAL INFORMATION:

The City is working on permitting the expansion of the Milton Seaman Water Supply Project (MSWSP), which is proposed to expand the existing reservoir. As part of the Environmental Impact Statement (EIS) the United States Fish and Wildlife (USFW) will provide consultation on the project. In order to facilitate a timely consultation and comprehensive effort by the USFW, the Intergovernmental Agreement (IGA) agrees to a person acting as a liaison, who is employed and supervised by the USFW, but whose salary is fully funded by the city. This effort would be a significant factor in the success of the environmental consultation and planning support. The term of this agreement is for funding the USFW employee for three years for work on the city's project.

To expedite the processing and ultimately hiring the USFW employee, Council was requested to approve the IGA at the May 15, 2018 meeting contingent on Water and Sewer Board approval and confirmation of the recommendation.

INTERGOVERNMENTAL AGREEMENT
(City of Greeley - United States Fish and Wildlife Service)

THIS AGREEMENT ("Agreement") is made as of _____ by and between the UNITED STATES FISH AND WILDLIFE SERVICE ("Service") and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation ("Greeley").

RECITALS

A. Greeley is currently in the permitting process for a large water infrastructure project in the Cache la Poudre River Basin – the Milton Seaman Water Supply Project (MSWSP) (File No. 200800687), which is regulated by § 404 of the Clean Water Act (33 U.S.C. § 1251), the National Environmental Policy Act (42 U.S.C. §4321 et seq. (“NEPA”), and the Endangered Species Act (16 U.S.C. §§ 1531, et seq.).

B. The U.S. Environmental Protection Agency ("USEPA") and U.S. Army Corps of Engineers ("USACE") have regulatory authority over waters of the United States pursuant to the federal Clean Water Act, 33 U.S.C. Section 1251, et seq.

C. The Service has regulatory authority over the conservation, protection, restoration and management of fish, wildlife, native plants, and the habitat necessary for biologically sustainable populations of these species within the United States pursuant to the federal Endangered Species Act, 16 U.S.C. Section 1531, et seq., the Fish and Wildlife Coordination Act, 16 U.S.C. Sections 661-666(c), the Fish and Wildlife Act of 1956, 16 U.S.C. Section 742(f), et seq., and other provisions of federal law.

D. The USACE is preparing an Environmental Impact Statement under NEPA as the lead agency for the proposed MSWSP. Per Section 7 of the Endangered Species Act, the USACE is required to consult with the Service on potential impacts to federally-listed species including, but not limited to, the Preble’s Meadow Jumping Mouse (PMJM) and its habitat in the MSWSP area.

E. The Service will provide formal and informal consultation to the USACE for potential impacts caused by the MSWSP to federally protected species in accordance with the Endangered Species Act (“Consultation”) and has agreed to provide oversight and technical analysis and guidance on the development of Greeley’s conservation program and mitigation plan to offset MSWSP’s potential impacts (“Planning Support”).

F. In order to facilitate a timely Consultation and comprehensive Mitigation Support, the Service and Greeley agree that a person acting as a liaison, who is employed and supervised by the Service, but whose salary is fully funded by Greeley, working to coordinate meetings, communications, planning, technical assistance and related activities between the parties (“Liaison”) would to be a significant factor in the success of the Consultation and Planning Support.

G. Greeley is authorized to cooperate or contract with the Service pursuant to Article I, Section 1-3 of the Charter of the City of Greeley; Title 2, Section 2.07.040 of the Municipal Code of the City of Greeley, and C.R.S. §29-1-203(1).

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Service and Greeley hereby agree as follows:

AGREEMENT

1. Purpose. The purpose of this Agreement is to establish an understanding between the Service and Greeley as to responsibilities of the parties and to establish the role and duties of the Liaison.

2. Greeley's Agreement. Greeley agrees:

a. That the Liaison will be employed and supervised by the Service, but that the Liaison's position will be fully funded by Greeley.

b. That the first year installment of \$116,000.00 in year-one shall be due thirty (30) days after the effective date of this Agreement and that the second and third year installment of \$117,000.00 in year-two and \$120,000.00 in year-three, respectively, shall be due thirty (30) days prior to the first and second year anniversary of the Liaison's date of hire subject to Paragraph 3.e. below;

c. To consider the decisions made by the Liaison as they would by an authority of the Service;

d. To cooperate in information exchange between the Greeley and the Service including that which involves potential violation information;

e. To include the Liaison in all pertinent meetings, discussions, activities, site visits, etc., that the position might need in order to facilitate permitting, consultation, compliance, and/or decision making;

f. To utilize the Liaison position to facilitate any threatened and endangered species or migratory bird procedures that normally would require direct contact or consultation with the Service.

g. That the work priorities of the Liaison position will be the MSWSP, followed by those determined by the Service, in cooperation with the Greeley, based on overall need and urgency.

3. The Service's Agreement. The Service agrees:

a. To provide a federal vehicle for use by the Liaison;

- b. To provide a computer to the Liaison.
- c. To provide supervision that will guide and direct daily tasks.
- d. To review and respond to the Greeley submissions in a timely manner after receipt of complete project documentation.
- e. To submit an annual Notice of Payment Due to Greeley thirty (30) days prior to the first and second year anniversary of the Liaison's date of hire in the amounts identified in Paragraph 2.b.

4. Joint Agreement. The Service and Greeley jointly agree:

- a. That the Liaison's duties will include, but not limited to, providing Consultations under the Endangered Species Act; providing technical analysis and assistance to reduce the MSWSP's potential impacts on federally protected species, including but limited to PMJM; participating in field surveys of protected species where needed; participating in regular meetings with Greeley and USACE; reviewing NEPA documents for the MSWSP; providing Planning Support; and coordinating with Greeley, federal, state, local agencies, stakeholder groups and property owners to effectuate Greeley's conservation program and mitigation plan.
- b. That the Service will conduct the Liaison's performance reviews and ratings.
- c. That the parties to this Agreement will act in an independent capacity in the performance of their respective functions under this Agreement; and neither party shall be construed as the officer, agent or employee of the other.

5. Term. Unless this Agreement is extended and/or amended by the parties in accordance with Paragraph 11 below, the term of this Agreement shall be for three (3) years from the date set forth above or until all funds have been expended in year-three as set forth in Paragraph 2.b. above, whichever occurs last in time. Either party may terminate this Agreement after providing sixty (60) days written notice to the other party, specifying whether the termination date will either be 60th day of notice or the anniversary of the Liaison's date of hire. If the termination date occurs after all funds allocated to the Service have been expended, the Service shall bill, and Greeley shall pay, the difference, if any, for any continued work by the Liaison under this Agreement up and through the date of termination. If the termination date occurs before all funds allocated to the Service have been expended, the Service shall refund Greeley all funds remaining after the date of termination.

6. Fiscal Contingency. Pursuant to Colorado law, this Agreement is subject to the adequate appropriation of funds by Greeley in any given fiscal year. When funds are not appropriated or otherwise made available to support the continuation of the Liaison's performance under this Agreement in a subsequent fiscal period, Greeley shall provide the Service with a sixty (60) calendar day notice, specifying whether the termination date will either be 60th day of notice

or the anniversary of the Liaison's date of hire. If the termination date occurs after all funds allocated to the Service have been expended, the Service shall bill, and Greeley shall pay, the difference, if any, for any continued work by the Liaison under this Agreement up and through the date of termination. If the termination date occurs before all funds allocated to the Service have been expended, the Service shall refund Greeley all funds remaining after the date of termination.

7. Entire Agreement. This Agreement contains the entire understanding and agreement between the parties hereto with respect to its subject matter and supersedes any and all previous communications, negotiations, representations, proposals, and agreements, whether written or oral, respecting that subject matter.

8. Notice. Any notice, report or other communication required or provided for under this Agreement shall be personally delivered, sent by email, or delivered by United States mail, first class postage prepaid, to the following addresses or such other addresses as may be provided by notice to the other party:

U.S. Fish and Wildlife Service
Attn: Drue DeBerry
Colorado and Nebraska Supervisor
P.O. Box 25486, DFC (65412)
Denver, Colorado 80225
Phone: 303 236-4773
Email address:

City of Greeley
Attn: Contract Manager, Christie Coleman, Senior Water Resources Engineer
1100 10th Street, 3rd Floor
Greeley, CO 80631
Phone: 970-350-9209
Email address: Christie.Coleman@greeleygov.com

9. Governing Law. The validity, performance of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado.

10. Assignment. This Agreement may not be assigned.

11. Modification. This Agreement may not be modified except in writing by the parties hereto.

12. Severability. If any provision of this Agreement is determined to be unenforceable for any reason, this Agreement shall be null and void.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of

which shall be deemed an original but all of which together shall constitute one and the same document. The Agreement may be executed and delivered by electronic signature by any of the parties and all parties consent to the use of electronic signatures.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date specified below.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

**THE UNITED STATES FISH AND WILDLIFE
SERVICES**

Date: _____

By: _____
(Name/Title)

ATTEST:

By: _____
(Name/Title)

APPROVED AS TO LEGAL FORM:

By: _____
(Name/Title)

**THE CITY OF GREELEY, COLORADO,
a Colorado municipal corporation,**

Date: _____

By: _____
Roy H. Otto, City Manager

APPROVED AS TO LEGAL FORM:

By: _____
Doug Marek, City Attorney

AS TO AVAILABILITY OF FUNDS:

By: _____
Director of Finance

RECOMMENDED:

By: _____
Chairman, Water and Sewer Board

THE CITY OF GREELEY, COLORADO

RESOLUTION _____, 2018

A RESOLUTION OF THE CITY OF GREELEY COUNCIL AUTHORIZING THE CITY TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE UNITED STATES FISH AND WILDLIFE SERVICE FOR THE MILTON SEAMAN WATER SUPPLY PROJECT

WHEREAS, in accordance with C.R.S. § 29-1-203, governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units of government; and

WHEREAS, the City of Greeley ("Greeley") is currently in the permitting process for a large water infrastructure project in the Cache la Poudre River Basin – the Milton Seaman Water Supply Project ("MSWSP"); and

WHEREAS, the U.S. Environmental Protection Agency ("USEPA") and U.S. Army Corps of Engineers ("USACE") have regulatory authority over waters of the United States pursuant to the federal Clean Water Act, 33 U.S.C. Section 1251, et seq.; and

WHEREAS, the USACE is preparing an Environmental Impact Statement under NEPA as the lead agency for the proposed MSWSP, and the United States Fish and Wildlife Service ("Service") will provide formal and informal consultation to the USACE for potential impacts caused by the MSWSP to federally protected species; and

WHEREAS, the Service has agreed to provide oversight and technical analysis and guidance on the development of Greeley's conservation program and mitigation plan to offset MSWSP's potential impacts; and

WHEREAS, it is in the best interest of the citizens of the City of Greeley for Council to enter into this Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREELEY, COLORADO:

Section 1. Subject to the subsequent approval by the Water and Sewer Board, the City Council hereby authorizes the City to enter into an Intergovernmental Agreement with the United States Fish and Wildlife Service, a copy of which is attached hereto and incorporated herein as Exhibit A.

Section 2. City staff is hereby authorized to make changes and modifications to the Agreement, so long as the substance of the Agreement remains unchanged.

Section 3. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS 15TH DAY OF MAY,
2018.

ATTEST:

THE CITY OF GREELEY, COLORADO

City Clerk

Mayor

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 8

TITLE: REPORT: WATER COURT UPDATE

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

This item intends to update the Board on the current status of Greeley's Water Court cases including statements of opposition and cases where Greeley is the applicant or will soon be filing an application for change of water rights, as well as a summary of the Water Resources Division's legal costs.

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 9

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY
CITY ATTORNEY REPORT ON CASE AND
MATTER ASSIGNMENTS

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 10

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 11

TITLE: ACTION: APPROVE CONSIDERATION OF A
MOTION DESIGNATING LEGAL COUNSEL TO
THE BOARD

RECOMMENDATION: APPROVE CONSIDERATION OF A MOTION
DESIGNATING LEGAL COUNSEL TO THE
BOARD

ADDITIONAL INFORMATION:

City Attorney report on Case and Matter assignments.

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 12

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Tri-City Dinner Reception
May 31st at Hilton Double Tree
- Resolution 3, 2015
Concerning Water Court statements of opposition and stipulations

GREELEY WATER AND SEWER BOARD
RESOLUTION NO. 3, 2015

**CONCERNING WATER COURT STATEMENTS OF OPPOSITION AND
STIPULATIONS**

WHEREAS, Section 17-4 of the Charter of the City of Greeley ("Greeley") empowers and requires the Greeley Water and Sewer Board ("the Board") to, among other things, protect water and sewer assets, supplies, and facilities; and,

WHEREAS, under Section 17-2 of the Greeley Charter, the Director of the Water and Sewer Department shall be responsible for the care and custody of the property used by the Department; and,

WHEREAS, in order to protect water and sewer assets, supplies, and facilities, from time to time, the Board authorizes staff and legal counsel to file statements of opposition to applications filed in water court; and,

WHEREAS, the Board desires to formalize its general delegation of authority to the Water and Sewer Director, or his designee, and legal counsel to act in water court proceedings where Greeley has entered a statement of opposition.

NOW, THEREFORE, BE IT RESOLVED BY THE GREELEY WATER AND SEWER BOARD AS FOLLOWS:

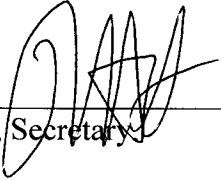
1. Upon recommendation to and approval by the Board to file a statement of opposition to an application filed in water court, the Water and Sewer Director, or his designee, and legal counsel are authorized to negotiate terms and conditions to prevent injury to Greeley's water rights and to hold an applicant to strict proof concerning all elements of the application.

2. Once the Water and Sewer Director or his designee, with the advice of counsel, has determined that an applicant has provided adequate proof of all material elements in a case and/or that an applicant has proposed to include appropriate terms and conditions in the decree to be entered in the case which will protect Greeley's water rights from injury, then the Water and Sewer Director, or his designee, is authorized to direct counsel to enter into a stipulation with the applicant that outlines such proof and/or contains such terms and conditions.

3. All previous stipulations in water court cases authorized by the Water and Sewer Director, or his designee, and executed by legal counsel are hereby ratified.

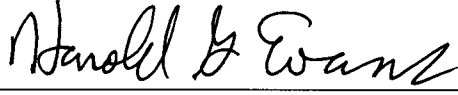
PASSED AND ADOPTED, SIGNED AND APPROVED this 27th day of May, 2015.

ATTEST:



Roy Otto, Secretary

**GREELEY WATER AND SEWER
BOARD**



By: Harold G. Evans, Chairman

WATER & SEWER BOARD AGENDA MAY 16, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 13

TITLE: SUCH OTHER BUSINESS THAT MAY BE
 BROUGHT BEFORE THE BOARD AND
 ADDED TO THIS AGENDA BY MOTION OF
 THE BOARD

RECOMMENDATION: TO BE DETERMINED

ADDITIONAL INFORMATION: