



Legislation Details (With Text)

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On agenda: 3/21/2017 **Final action:**

Title: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, AUTHORIZING THE PURCHASE OF TEN (10) SHARES OF FULTON IRRIGATING DITCH COMPANY AND THE FOLLOWING PAIRED SHARES: FIFTEEN (15) SHARES OF BURLINGTON DITCH RESERVOIR & LAND COMPANY AND FIFTEEN (15) SHARES OF WELLINGTON RESERVOIR COMPANY FROM THE E-470 PUBLIC HIGHWAY AUTHORITY (SELLER) FOR THE TOTAL NOT TO EXCEED SUM OF ONE MILLION FOUR HUNDRED EIGHTY SEVEN THOUSAND FOUR HUNDRED FIFTY DOLLARS (\$1,487,450.00); APPROVING A SUPPLEMENTAL APPROPRIATION FROM THE WATER ENTERPRISE FUND IN THE AMOUNT OF ONE MILLION FOUR HUNDRED EIGHTY SEVEN THOUSAND FOUR HUNDRED FIFTY DOLLARS; AND AUTHORIZING THE ACTING CITY MANAGER TO UNDERTAKE SUCH TASKS AND EXECUTE SUCH DOCUMENTS AS MAY BE REQUIRED TO CONSUMMATE THE PURCHASE ON BEHALF OF THE CITY

Sponsors:

Indexes:

Code sections:

Attachments: 1. Reso to Purchase E470 Shares FINAL, 2. Form - Special Warranty Deed

Date	Ver.	Action By	Action	Result
3/21/2017	1	City Council		

Department of Utilities

Reference: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, AUTHORIZING THE PURCHASE OF TEN (10) SHARES OF FULTON IRRIGATING DITCH COMPANY AND THE FOLLOWING PAIRED SHARES: FIFTEEN (15) SHARES OF BURLINGTON DITCH RESERVOIR & LAND COMPANY AND FIFTEEN (15) SHARES OF WELLINGTON RESERVOIR COMPANY FROM THE E-470 PUBLIC HIGHWAY AUTHORITY (SELLER) FOR THE TOTAL NOT TO EXCEED SUM OF ONE MILLION FOUR HUNDRED EIGHTY SEVEN THOUSAND FOUR HUNDRED FIFTY DOLLARS (\$1,487,450.00); AMMENDING AND APPROPRIATING THE 2017 BUDGET TO INCLUDE SAID AMOUNT; AND AUTHORIZING THE ACTING CITY MANAGER TO UNDERTAKE SUCH TASKS AND EXECUTE SUCH DOCUMENTS AS MAY BE REQUIRED TO CONSUMMATE THE PURCHASE ON BEHALF OF THE CITY

To: Mayor Richard N. McLean and Members of City Council

Through: Clint Blackhurst, Acting City Manager

Chontel Trujillo, Assistant City Manager of Operations

Prepared By: Curtis Bauers, Director of Utilities

Date Prepared: March 10, 2017

PURPOSE

To consider the approval of a resolution authorizing the purchase of shares in the Fulton Irrigating Ditch, the Burlington Reservoir and Ditch Company, and the Wellington Reservoir Company from the E-470 Public Highway Authority. The shares have been deemed appropriate to be included in Brighton's water portfolio for augmentation purposes. Funding in the amount of \$1,487,450 for the proposed purchase will come from existing Plant Investment Fees that have been specifically set aside for such acquisitions.

BACKGROUND

In October 2016 - the eight members of the E-470 Public Highway Authority were sent information regarding the sale of 10 Fulton and 15 paired Burlington/Wellington Shares that E-470 owns but no longer needs. The E-470 Authority subsequently decided to put the shares out for formal bidding.

The historical information on the shares has been reviewed by Brighton's water engineers and deemed appropriate to include in Brighton's water portfolio for augmentation. The consumptive use of the shares is expected to be up to 83.8 acre-feet once changed through water court.

The Utilities Director received permission to move forward with the offer for acquisition, and a sealed bid with accompanying earnest money in the amount of \$150,000 was tendered to the E-470 Authority prior to the official due date of February 1st, 2017.

On Thursday, February 9th, 2017, the E-470 Authority Board voted to approve Brighton's bid for the acquisition of the water shares.

E-470 has provided the requisite Dry Up Covenants to support the Shares and has provided a Special Warranty Deed (Water Rights) for the transfer of the Shares, all of which have been reviewed by the City's water engineers and special water legal counsel, and deemed appropriate.

CRITERIA BY WHICH COUNCIL MUST CONSIDER THE ITEM

FINANCIAL IMPACT

The total amount payable to the E-470 Public Highway Authority for the acquisition of the shares is \$1,487,450, of which, \$150,000 has already been paid in the form of earnest money. Funding to offset this expense will be derived from the Water Acquisition account - a Plant Investment Fee specifically in place to fund such water acquisitions.

STAFF RECOMMENDATION

Staff recommends the approval of the proposed resolution in order to provide sufficient water for increasing augmentation demands.

OPTIONS FOR COUNCIL CONSIDERATION

- Approve the attached Resolution as presented
- Deny the attached Resolution as presented
- Postpone consideration of the Resolution with suggested changes

ATTACHMENTS

- Resolution
- Special Warranty Deed