



Legislation Details (With Text)

File #: 16-432 **Version:** 1 **Name:**

Type: Resolution **Status:** Mayor's Office

File created: 6/8/2016 **In control:** City Council

On agenda: 6/28/2016 **Final action:** 6/28/2016

Title: A Resolution Authorizing Colorado Springs Utilities to take all actions necessary to remove certain water rights from the State of Colorado's Water Rights Tabulation

Presenter:
Wayne Vanderschuere, Planning Engineering and Resource General Manager, Water Services
Jerry Forte, P.E., Chief Executive Officer, Colorado Springs Utilities

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2-Resolution-Chilcott Reamy Abandon Water Rights 6-28-16, 2. Signed Resolution 68-16.pdf

Date	Ver.	Action By	Action	Result
6/28/2016	1	City Council	adopted	Pass

A Resolution Authorizing Colorado Springs Utilities to take all actions necessary to remove certain water rights from the State of Colorado's Water Rights Tabulation

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Summary: Colorado Springs Utilities has stipulated in Case No. 2015CW3001 to abandon its interest in a minor, junior water right of its single share of the Chilcott Ditch Company it purchased in December 2015.

Previous Council Action:

By Resolution No. 14-15, City Council authorized Utilities to take the steps necessary to abandon its pro rata interest in the minor Chilcott Ditch water right represented by the 8 Chilcott Ditch Company shares Utilities purchased in 2014.

Background:

Last year City Council approved Utilities' purchase of one share of stock in the Chilcott Ditch Company (Chilcott). Utilities successfully closed on its purchase of that share on December 2, 2015. The water rights represented by the Chilcott share can currently be used for irrigation purposes only. Thus, to most effectively use the water represented by the Chilcott share, Utilities must file water rights change case with the Division 2 Water Court. In March 2015, Utilities filed an application in Water Court, Division 2 Case No. 2015CW3001 to change eight Chilcott shares that Utilities purchased in December 2014. Utilities is planning on amending the 2015CW3001 change case

application to include the Chilcott share that was purchased at the end of 2015. Utilities will be obtaining Chilcott Board support prior to filing the amendment to the 2015CW3001 change case application.

Once the change case is decreed, the water will be used by Utilities for all municipal uses including, without limitation, domestic, agricultural, industrial, commercial, irrigation, fire protection, recreation, fish and wildlife preservation and propagation, recharge of Denver basin aquifers, exchange, replacement of historical return flows, augmentation, and sale or lease to other water users.

Most Chilcott shares have been changed to include municipal, augmentation, irrigation, industrial, and all other uses by other shareholders. The shareholders who previously changed the use of their Chilcott shares were required to abandon their *pro rata* interest in a very junior Chilcott Ditch water right that is represented by the shares. Utilities was aware of this requirement at the time of purchase and therefore did not include any water from this junior priority in the estimate of historical yield per Chilcott share. The abandonment of this junior priority reconciles water right administration with historical practice and legal precedent. This junior water right does not represent any real water interest because of its very junior priority. By Resolution No. 14-15, City Council authorized Utilities to take the steps necessary to abandon its *pro rata* interest in this same junior water right of the 8 Chilcott Ditch Company shares Utilities purchased in 2014.

Once the amendment to the 2015CW3001 water rights change case application has been filed, Utilities will file additional water rights applications allowing for the use of the Chilcott water rights for augmentation, municipal uses, exchange, and any other uses beneficial to Utilities.

Financial Implications:

N/A

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve Resolution directing Utilities to take all steps necessary to abandon the junior Chilcott Ditch water right.

N/A