



BOARD OF TRUSTEES
May 19, 2026
6:30 PM

Leeper Center, 3800 Wilson Avenue, Wellington, CO

Work Session Agenda

The Zoom information below is for online viewing and listening only.

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Webinar ID: 848 7116 2393

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A. ITEMS

1. Onboarding Presentation from Colorado Intergovernmental Risk Sharing Agency
2. Town of Wellington Source Water Overview

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements. Individuals needing special accommodation may request assistance by contacting at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.



Board of Trustees Meeting

Date: May 19, 2026
Subject: Onboarding Presentation from Colorado Intergovernmental Risk Sharing Agency

BACKGROUND / DISCUSSION

The Town of Wellington is a member of CIRSA (Colorado Intergovernmental Risk Sharing Agency) which provides the Town with many resources, including training for the Board of Trustees. Sam Light, CIRSA General Counsel, will provide an overview of best practices for public officials.

STAFF RECOMMENDATION

This item is provided for informational purposes only.

ATTACHMENTS

1. Wellington 5-19-26



Elected Officials Presentation

Town of Wellington • May 19, 2026

Presented by: Sam Light, CIRSA Deputy Executive
Director/General Counsel



Introduction – Overview

- Presentation on best practices for liability and risk management issues at the governing body level. Suggestions that will enhance your effectiveness and success and, in turn, reduce risk for the Town, Town Board, and you individually. Topics we will touch on include:
 - The fiduciary role of public official
 - Transparency laws and liability risks
 - Organizational structure & liability
 - Ethics & personal conduct
 - Quasi-judicial decision-making
- Presentation is a training resource only; is not intended to address or provide legal advice on any specific, pending issues.

The Fiduciary Role of Public Official

- There are unique dynamics of being a local public official:
 - Citizen → government official (24/7!)
 - Outsider → insider
 - Critic/proponent → representative-ambassador-**fiduciary** of the Town as an entity and of the local public body upon which you serve.
- “The holding of public office or employment is a public trust, created by the confidence which the electorate reposes in the integrity of...local government officials and employees.”

The Fiduciary Role of Public Official

- Within a municipal/public entity structure, effective governance and effective risk management requires continual recognition that you are **fiduciaries**.
- Among other attributes, the fiduciary responsibility requires:
 - Recognition of broader public interest.
 - The ability to place the Town's interests and the public interest above narrow, personal, single-issue or other interests.
 - A commitment to consider matters on their merits alone.

Transparency Requirements & Risks

- Honor the openness requirement of Colorado's Open Meetings Law (OML): Applies to **three or more or a quorum, whichever is less**. Requires discussion of public business take place at meetings open to the public.
- Also, if action will be taken or a quorum will be present, there must be timely notice. Board action must be taken only at a duly-noticed public meeting.
- A "meeting" includes any gathering to discuss public business, in person, by phone, or electronically (e-mail, etc.). Thus, electronic communications can also raise OML issues.
- Allegations of "**serial meetings**" and "**rubber-stamping**" have become a focus of litigation, and such activities must be avoided.
- Executive sessions? Make sure you follow the requirements of the OML. Have appropriate systems in place to protect confidential information.

Transparency & Electronic Communications

- Using email? *See* handout and this CIRSA article: <https://www.cirsa.org/news/how-the-colorado-open-meetings-law-applies-to-elected-officials-email/>). Separate from OML compliance issues, the correspondence of elected officials that relates to their duties or public funds is generally treated as a matter of public record (with limited exceptions).
- Thus, recognize that emails and other electronic communications discussing public business could be a record subject to disclosure under Colorado's Open Records Act.
- And electronic communications of all kinds may be subject to the civil discovery process and may be required to be divulged in litigation.
- Public officials must be cautious in their use of electronic communications to avoid getting crosswise with one or more of these legal considerations.

Organizational Structure & Liability

- Everyone within the organization has a “job description”—it is important that everyone honor their “job description,” both to help ensure the organization functions at a high level, and to avoid risks of liability, including the risk of personal liability!
- Under Colorado Governmental Immunity Act (CGIA) you have protection from personal liability if you are “within the scope of employment (SOE)” and not acting “willfully and wantonly.” Means everyone needs to know and respect their “job description.”
- Conduct that is “outside the scope” or “willful and wanton” can result in a loss of governmental immunity and create liability, including personal liability.
 - “Willful and wanton conduct”: Conduct that is purposefully undertaken and calculated to cause harm, in conscious disregard of the consequences or rights or safety of others.

Organizational Structure & Liability

- Can also result in potential loss of insurance coverage. Public official liability (POL) policies follow “course and scope” and “willful and wanton” concepts. That is, they extend coverage to elected officials “in their capacity as such” (or similar) and have provisions excluding coverage where liability is imposed for willful and wanton conduct, fraud, ill-gotten gain, or criminal or malicious acts.
- The CGIA provides a form of qualified immunity, but it is not an absolute shield. Similarly, a federal form of qualified immunity protects government officials from liability for civil damages “insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known.”
- Recognize that certain liability risks—in particular, civil rights and personal tort exposures—can be exacerbated by “bad facts” that suggest (or are perceived to be based upon) retaliatory or malicious conduct.

Legislative v. Administrative Matters

- A key component of SOE is the legislative-administrative distinction, which is recognized in the Town's organizational structure and municipal code. The Town operates with a Board-Administrator form of government. Under this structure, there is policy/administration allocation of duties, responsibilities and roles. This the most common municipal structure.
- **Board of Trustees:** Legislative & Corporate Authority (Policy & Governance)(CRS 31-4-301; Town Code 2-2-10). Mayor is presiding officer and executive head of Town for ceremonial and legal purposes, with other duties as Board may confer.
- **Administrator:** Chief administrative officer of the Town (i.e., Administration)(Town Code 2-3-20). Oversees the "day-to-day" municipal operations.
- By statute, ordinance, etc., certain duties are performed by Board and certain duties are performed by staff. These allocations of authority and responsibility not only define the organization's structure; they define "scope of employment" for everyone in it.

Legislative v. Administrative Matters

Where is Board focusing its efforts?



- **Time Horizons:** Yours should be the furthest out!
- **Legislative Affairs:** Board and its members are the policy-making body; “looking down the road”; forward thinking; big picture, rather than day-to-day.
- **Corporate & QJ Matters:** Addressing corporate matters (fiduciary) as well as QJ matters reserved to the Board.
- **Dealings within Chain of Command:** Appointment & supervision of Board “direct reports.” Don’t jump more than one level! (*Remember your Code; Sec. 2-3-20(f)(Relationship of Board to Administrator)*).
- **No Redundancy:** Unlike other levels in the organization, there is no one else who can step in and do your job – and your job is not administration!

Supporting Organizational Structure

- Tips to support the structure and avoid concerns around “role discipline” and “scope”:
 - Understand “job description” and stay within it. Note, the “powers and duties” provisions applicable to the Board (and others) serve to define SOE.
 - Recognize that elected officials act primarily as a BODY, and exercise responsibilities mainly by group discussions and group decision-making in a PUBLIC MEETING. “Powers and duties” of the Board are exercised by the body as a whole.
 - Therefore, the role is a group role! Think “We” ... not “I”! If you find yourself about to act in terms of “I” rather than “we” ...that’s a red flag.
 - Another red flag? “He/she/they did what?!?!”

Supporting Organizational Structure

- Adherence to the Town's organizational structure is particularly important in the area of employee relations and handling of administrative matters assigned to staff.
- Except for those employees that are the "direct reports" of the governing body, elected and appointed officials are not employee supervisors. Thus, don't give directions to subordinates of the Administrator—that's outside your SOE; remember your Code (Sec. 2-3-020(f))—or get individually and improperly involved in personnel issues.
- It's not that administrative matters are "hands off" for elected officials – you are entitled to ask questions and get information - but it's important to exercise role discipline to prevent entanglements, disempowerment, misunderstandings, and exposure to legal liability, including potential individual liability.

Supporting Organizational Structure

- Other tips:
 - Establish, in collaboration with your Administrator, a process for bringing forward your questions and concerns (or those raised by citizens) about administrative matters.
 - Use your Administrator and staff as a resource for accurate information and to get things done (and look good while doing it!). Be cautious of reacting to “one side of the story” or being “conscripted” into an attempted “end run.”
 - Avoid being swayed by the (understandable but mistaken) view that individual members have the power to override administrative decisions vested in others.
 - Resolve to work through your differences at the governing body level and speak with “one voice” to your direct reports. The solution for unresolved differences at the governing body level is not for individual members to take the issue upon themselves.

Ethics & Personal Conduct

- Become familiar with the ethics laws that govern your conduct (E.g. Colorado Code of Conduct, title 24, art. 18, C.R.S., and Town Code Ch. 2, Art. 6). Some key areas:
 - **Conflicts of Interest:** Disclose, recuse, don't vote, and don't influence other members.
 - **Contracts:** Officials may not hold any financial interest or personal interest in any contract, business or transaction with any Town public body.
 - **Confidential Information:** Don't disclose Town confidential information unless authorized by Town body having jurisdiction, and don't use or permit use of confidential information to advance your own/another's financial or personal interest.
 - **Gifts:** Decline gifts that seem to be connected to your service and abide by gift rules.
- Avoid situations that may create an appearance of impropriety. Recognize that in matters of ethics, fair or not, sometimes perception = reality and reality = perception.

Ethics & Personal Conduct

- Beyond compliance with applicable ethics law, commit to personnel conduct that strengthens the WE – the Board of Trustees as an institution. This sometimes requires personal sacrifices, such as:
 - Setting aside a personal interest or agenda when there is lack of support.
 - Accepting “the Board has spoken” though one preferred a different outcome.
 - Respecting Board rules of procedure and “norms of conduct”.
 - Avoiding perceptions (internal or external) of “getting ahead” of or “speaking for” the voice of Board where it has not yet spoken.

Ethics & Personal Conduct

- Recognize also that inappropriate personal conduct can be destructive to a public body, its agenda, its reputation, and to public faith/trust. Some problem areas we've seen:
 - "Outlier syndrome" and individual elected officials "going it alone" or "fomenting controversy" for its own sake where none was otherwise existing or apparent.
 - Accusations of lack of respect, incivility, lack of good faith, hidden agendas, preconceptions, undue partisanship (by law, Colorado municipal elections are nonpartisan), incivility, or other concerns creating a sense of distrust.
 - An "imbalance" of information and/or participation on the body, or bodies constantly lining up with the same split vote on every issue.
 - Meetings unfolding with "surprise," "gotcha" or "staff bashing" moments giving rise downstream to liability concerns.

Quasi-Judicial Rules of Engagement

- Often the Board of Trustees and its members are acting as “legislators”—making general policies that apply generally—or handling routine business matters.
- But at other times you make decisions affecting a specific applicant’s property rights. For these “quasi-judicial” matters—e.g., land use and licensing applications before the Board—the members are essentially acting as judges. In this role you have heightened responsibilities to provide “due process” and a failure to provide due process exposes you and the Town to liability.
- So, be familiar with the due process “rules of engagement” that apply to quasi-judicial matters. These rules require you conduct yourselves like judges, not like legislators.
- These rules have a familiar source: “No person shall be...deprived of life, liberty, or property, without due process of law.”

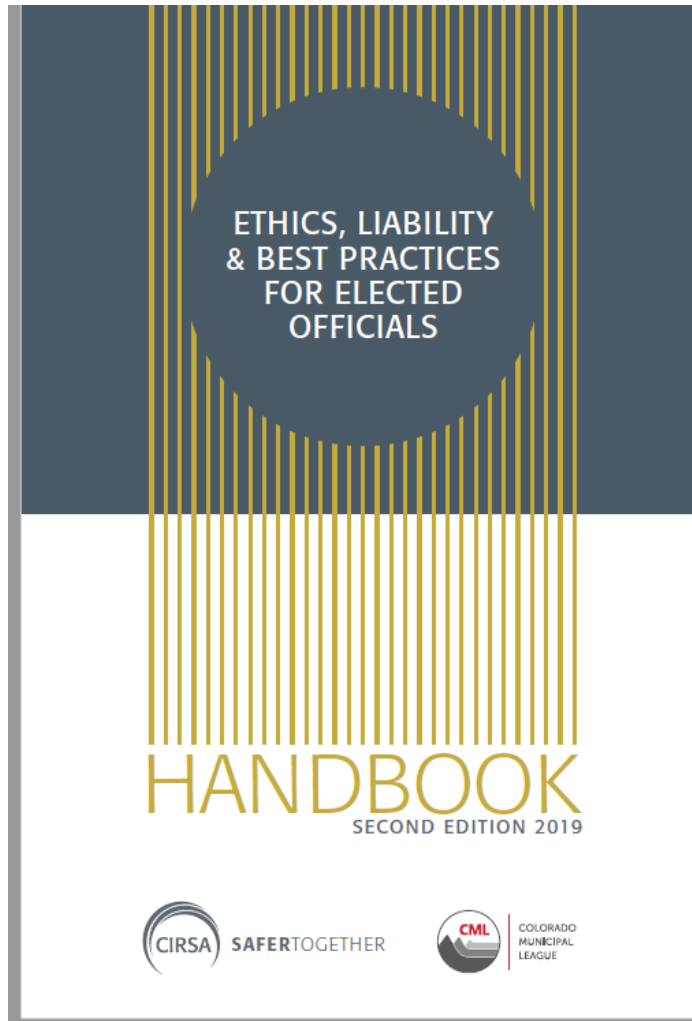
Quasi-Judicial Rules of Engagement

- **Avoid Ex Parte Contacts:** As the judge, don't engage with the applicant or others, or with your fellow quasi-judges, before or outside the hearing about the issues to be decided at the hearing.
- **Maintain Impartiality:** As a judge, remain neutral; don't make up your mind before the hearing and don't make prejudicial pre-hearing statements.
- **Recusal:** As the judge, you must recuse yourself from the proceedings if you have a conflict of interest or other disqualifying circumstance.
- **Judicial decision-making:** Your deliberations and decision on a quasi-judicial matter **must be focused/based upon** only the **evidence** presented at your hearing **and the relevant, existing criteria** (i.e., the standards) that apply to the decision before you. In this role you must set aside personal bias, opinions, and preferences. In deliberations, use Sam's "Rule of Why."
- For more on the quasi-judicial "rules of engagement" see handout and this presentation: https://www.cml.org/docs/default-source/2024-conference-presentations/6-19-24-1045-cml-2024-qj-decision-making.pdf?sfvrsn=ee380f05_2.

Concluding Thoughts

- Key “takeaways” for managing and mitigating risks at the governing body level.
 - Remember and embrace the policy/administrative distinction
 - Take the time you need & get the information you need to make sound decisions
 - Have focused and on-point deliberations—they lead to defensible decisions
 - Individually and collectively, stay within your authority and “SOE”
 - Know the rules, play by the rules, and apply them evenhandedly
 - Embrace and provide good process—process is itself a government service
 - Follow transparency rules
 - Recognize the authority of Board is exercised collectively
 - Commit to civility and mutuality of respect
 - Work individually and collaboratively to fulfill your fiduciary responsibilities

Resources



CIRSA Elected Officials Handbook:
<https://www.cirsa.org/wp-content/uploads/2019/06/EthicsLiabilityBestPracticesHandbookForElectedOfficials.pdf>

CIRSA elected and appointed officials' resources:
<https://www.cirsa.org/safety-training/elected-officials/>.

CIRSA news & events page:
<https://www.cirsa.org/news-and-events/news/>

CIRSA Training & Events Calendar:
<https://www.cirsa.org/news-and-events/events-calendar/>

CIRSA Safety YouTube Channel:
https://www.youtube.com/@CIRSA_Safety/videos

About the Colorado Intergovernmental Risk Sharing Agency (CIRSA)

- Public entity self-insurance pool for property, liability, and workers' compensation coverages.
- Formed by in 1982 by 18 municipalities pursuant to CML study committee recommendations.
- Not an insurance company, but an entity created by intergovernmental agreement of our members.
- Total membership today stands at 294 member municipalities and affiliated legal entities
- Member-owned, member-governed organization.
- No profit motive – sole motive is to serve our members effectively and responsibly.
- CIRSA Board made up entirely of municipal officials.
- Seek to be continually responsive to the liability-related needs of our membership – coverages and associated risk management services, sample publications, training, and consultation services, as well as specialty services such as home rule charter review.
- We have the largest concentration of liability-related experience and knowledge directly applicable to Colorado municipalities.

OUR CULTURE

CIRSA and its members embrace a proactive risk management culture. Through the power of pooling, our programs, services, and coverages enable CIRSA members to act with confidence so that they, in turn, can enable their organizations and communities to thrive.

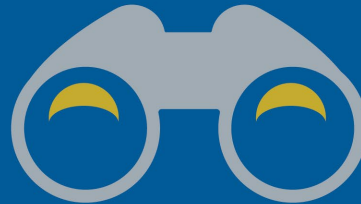
OUR MISSION

CIRSA is the leader in risk management and insurance coverage for Colorado local governments.



OUR VISION

CIRSA is revolutionizing risk management for Colorado communities.



OUR MEMBERS

Managing risk is the way our pool members foresee and protect against potential losses and liabilities facing their communities, and recover from them should they occur.



OUR VALUES



In the name of Community, we serve the greater good.
In the name of Partnership, we foster collaboration for problem-solving.
In the name of Ethical conduct, we do the right thing.
In the name of Stewardship, we aim for long-term sustainability.

ABOUT US

CIRSA is a public entity self-insurance pool serving Colorado municipalities and affiliated entities. CIRSA staff are subject matter experts in Colorado public entity insurance, liability, and risk management issues. CIRSA is accountable to each member individually and to the membership as a whole, NOT to stockholders seeking a profit.

Speaker Bio

Sam Light is Deputy Executive Director / General Counsel for the Colorado Intergovernmental Risk Sharing Agency (CIRSA). Previously, Mr. Light was a partner with the Denver law firm of Light | Kelly, P.C., specializing in municipal and other public entity law, insurance law and defense of public entities and elected officials. Sam is a frequent speaker on public entity risk issues and municipal law and has practiced in Colorado since 1993.



Board of Trustees Meeting

Date: May 19, 2026
Subject: Town of Wellington Source Water Overview

BACKGROUND / DISCUSSION

Please see the attached Memo.

STAFF RECOMMENDATION

No action is requested at this Work Session. Staff recommends the Board receive the Town of Wellington Source Water Overview, provide feedback on the proposed policy direction, and direct staff to return at a regular meeting with draft ordinance language for consideration.

ATTACHMENTS

1. Town of Wellington Source Water Overview 05-19-2026
2. Resolution No. 48-2025 Committing to Diversify and Secure the Town's Long-Term Water Supply



MEMORANDUM

TO: Board of Trustees
FROM: Meagan Smith, Deputy Director of Public Works - Utilities
DATE: May 19, 2026
SUBJECT: Work Session - Town of Wellington Source Water Overview: Existing Raw Water Resources, Recent Water Resources Planning, and Proposed Policy Updates

EXECUTIVE SUMMARY

This Work Session provides a source water overview focused on:

1. Wellington's existing raw water resources; and
2. Recent water resources planning and how it informs near-term policy decisions.

Wellington's potable supply relies primarily on NPIC surface water delivered through Reservoir #3, supplemented by limited production from the Town's Wilson Wells (groundwater). Recent planning through the Water Source Development Plan (WSDP) identifies the timing and magnitude of future supply gaps, evaluates affordability constraints, and recommends a long-term strategy that emphasizes diversification and improved cost predictability.

Staff will also preview a targeted ordinance planned for an upcoming regular meeting that would:

- Allow more frequent administrative updates to the Cash-In-Lieu (CIL) rate, consistent with WSDP recommendations; and
- Update the credited yield for NPIC share dedications from 2.0 AF/share to 2.2 AF/share, consistent with WSDP recommendations and Board discussion from the September 23, 2025 WSDP findings presentation.

This item is informational; no formal action is requested. Staff is seeking Board understanding and feedback to inform ordinance drafting and scheduling.

BACKGROUND / DISCUSSION

1) Existing Raw Water Resources

A. Wilson Wells (Groundwater)

The Town owns three groundwater wells decreed for municipal use, located on Wilson Avenue. The wells were decreed in March 1971 with a combined pumping rate of 2.56 cfs. They are included in the Cache la Poudre Water Users Association augmentation plan (Poudre Plan) and are augmented for up to 400 AF/year of use.

Current use of the Wilson Wells includes irrigation at Library Park and adjacent ball fields, as well as Poudre School District irrigation at Eyestone Elementary School North and South. Approximately 25 AF/year is used for irrigation; the remaining ~375 AF/year is available for potable production.

To support potable use, the Town installed a nanofiltration membrane treatment unit in 2004. The unit is rated for 0.4 MGD, but typical production when operating is 0.2–0.3 MGD, due to:



- water quality discharge requirements at the Water Reclamation Facility,
- production efficiency limitations of the nanofiltration unit, and
- distribution system pressure limitations.

If operated continuously, this equates to approximately 225–335 AF/year, but the unit is not run year-round because maintenance and repairs require downtime. Recent production has therefore been below maximum: 2020 production was 121 AF, and the maximum annual production in the last five years was 225 AF.

B. 1983 Water Supply Agreement with NPIC (Reservoir #3)

In August 1983, Wellington entered into a Water Supply Agreement with NPIC. The Agreement provides Wellington the ability to use a portion of NPIC Reservoir #3, up to 2,000 AF, for municipal supply and includes use of NPIC-owned property to site Wellington’s water treatment facilities.

The Agreement defines three categories of supply and payment:

1. Stock Water (275 AF/year)
 - Provided based on Wellington’s transfer of 53 shares of NPIC stock to NPIC.
 - Wellington pays the NPIC assessment for those shares plus a 1.5% administrative charge (“Assessment Formula”).
2. Additional Water (up to 225 AF/year)
 - In addition to Stock Water.
 - Paid using a market-based “Market Formula” that incorporates NPIC share transaction value, an applicable interest rate, and NPIC assessment.
 - Includes a Northern Water differential rate charge on a per-acre-foot basis.
3. Option Water (up to 1,500 AF/year)
 - In addition to Stock Water and Additional Water.
 - Paid using the same Market Formula and differential charge.
 - Wellington pays up to \$9,000 annually to hold this volume available each year, whether used or not.

Market Formula (Charge per AF):

The Agreement’s market-based fee calculation is expressed as:

$$C = \left(\left(\frac{MV}{5.5} * I \right) + \left(\frac{A}{5.5} \right) \right) * 1.015$$

Where:

- C = charge per acre-foot
- MV = market value of one NPIC share

- I = farm and ranch real estate interest rate
- A = annual NPIC assessment per share
- 5.5 AF/share = historical yield used in the Agreement

Interpretation:

- The first term reflects the annual “purchase” cost per AF (share value and interest rate driven).
- The second term reflects delivery/administrative costs (assessment driven), including standard operations and maintenance.
- The 1.015 multiplier represents an administrative fee. This fee was reduced from 7.0% to 1.5% when the Town purchased 10 acres of land from NPIC in August 2023.

Because both interest rates and NPIC share values have increased substantially in recent years, Town costs under the Market Formula have increased significantly. The Town’s 5-year and 10-year average use from Reservoir #3 is approximately 850 AF, and staff considers the current cost trajectory financially unsustainable. Staff is actively negotiating modifications with NPIC to achieve a more sustainable structure for both parties.

Figures 1 through 3 provide additional context, showing how NPIC share transaction prices have changed over time beside the prevailing fixed farm interest rates (Figure 1), along with the effective cost per SF of use under the 1983 Agreement expressed in both dollars per AF and dollars per 1,000 gallons (Figures 2 and 3).

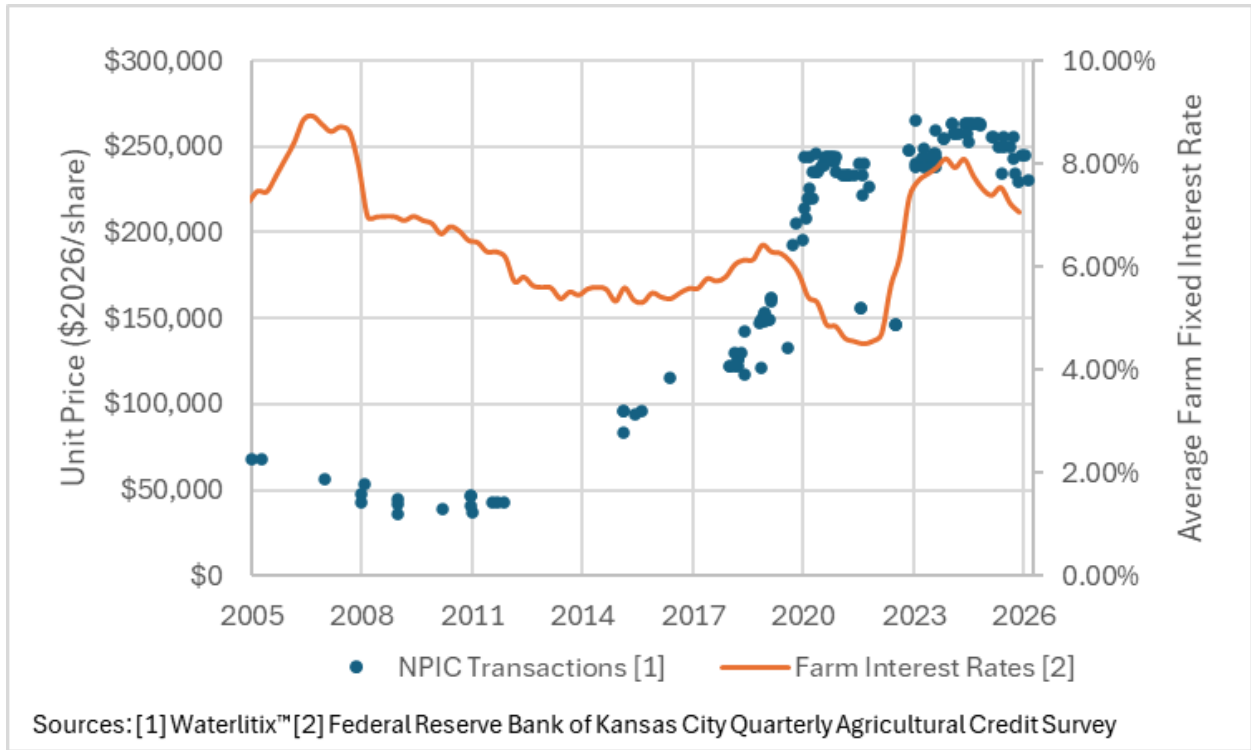


Figure 1. NPIC Share Transaction Prices and Farm Interest Rates

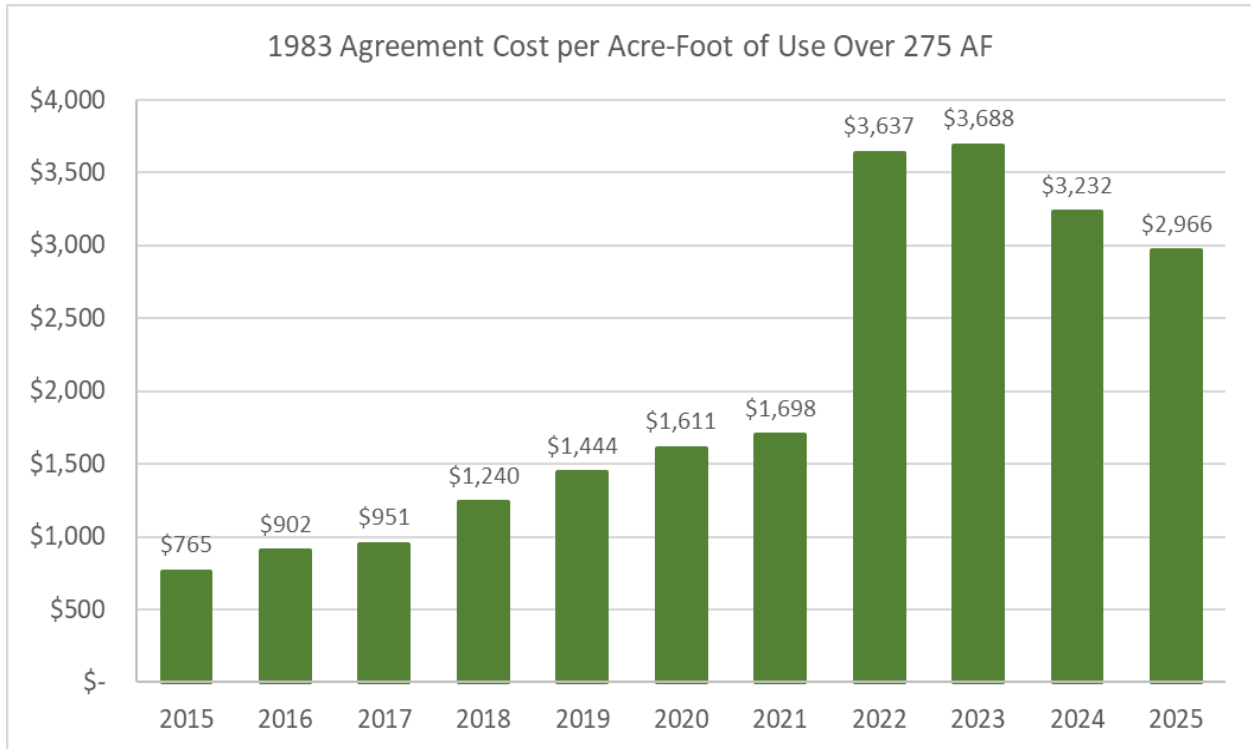


Figure 2. 1983 Agreement Cost per Acre-Foot of Use Over 275 AF of Stock Water

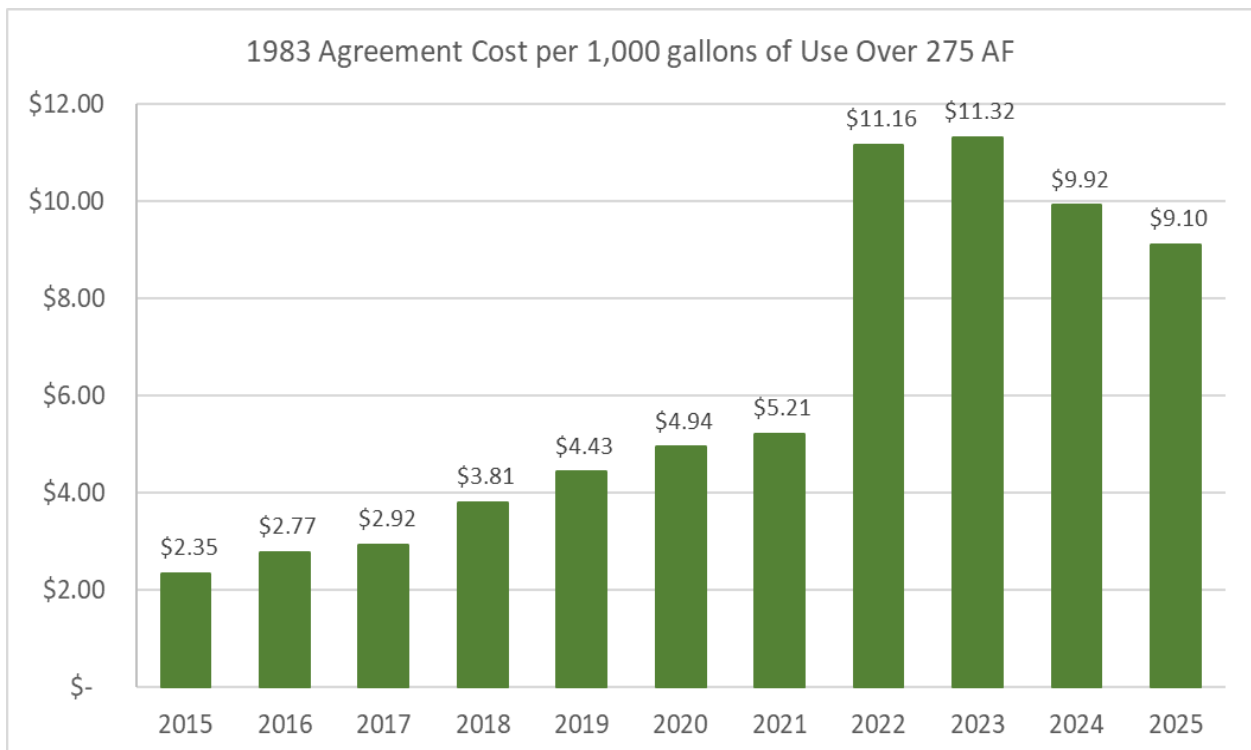


Figure 3. 1983 Agreement Cost per 1,000 gallons of Use Over 275 AF of Stock Water



C. Town-Owned NPIC Shares (Outside the 1983 Agreement Volumes)

After transferring 53 shares in 1983, the Town gradually rebuilt NPIC share ownership through developer dedications and targeted purchases beginning in 2018. NPIC typically issues at least two allocations annually:

- Ag Water based on expected yield from NPIC’s direct-flow river decrees (native Poudre River water rights); and
- Multiple-Use tied to NPIC’s interest in 40,000 units of Colorado-Big Thompson (C-BT) Project water, driven by the annual C-BT quota set by Northern Water.

In Water Year 2026, NPIC added a Multiple-Use Direct Flow allocation category, reflecting expected yield from NPIC’s ownership interest in the Southside Ditches (SSD). After accounting for ditch losses, NPIC estimated a typical allocation for this new category of approximately 0.2 AF/share.

The Town has worked with NPIC to enable use of the multiple-use portion of Town-owned shares through Reservoir #3. In Water Year 2025, this resulted in 185 AF of use outside the 1983 Agreement, saving the Town nearly \$550,000. The Town owned 74 shares in 2025 with a multiple-use allocation of 2.5 AF/share. The Town now owns 76 shares, and the Water Year 2026 multiple-use allocation is just over 1.5 AF/share.

2) Recent Water Resources Planning — Water Source Development Plan (WSDP)

To address long-term affordability, reliability, and diversification, the Town contracted with WestWater Research, LLC in May 2024 (Resolution No. 27-2024) to develop a Water Source Development Plan (WSDP). The WSDP:

- projects future demand and supply gaps,
- evaluates financial capacity,
- screens and prioritizes water source alternatives, and
- provides an implementation roadmap that includes policy updates and financing strategies.

The process incorporated stakeholder input through an Advisory Group including Board of Trustee and Planning Commission members, local developers, and Town staff, and emphasized diversification and reducing long-term reliance on NPIC.

A draft report was completed in May 2025. The draft “current supply” baseline reflected the status of NPIC negotiations at that time and assumed:

- 1,500 AF/year from an updated NPIC Agreement (rather than 2,000 AF/year), plus
- up to 375 AF/year from the Wilson Wells, totaling 1,875 AF/year.

As negotiations progressed in summer 2025 and a termed agreement became necessary, the WSDP implementation strategy was refined and presented to the Board on September 23, 2025, distinguishing between:

- the modeled supply gap closure under the original baseline; and

- the longer-term goal to reduce and ultimately replace reliance on NPIC contract water.

Key findings and planning assumptions (September 23, 2025 presentation):

- Most probable future demand of ~2,666 AF by 2054 (range 2,200–3,000 AF), with demand projected to exceed the 1,875 AF “current supply” baseline around 2041.
- Draft modeling projected a supply gap of 791 AF by the end of the planning period. For planning purposes, the Town established a target acquisition volume of 750 AF with Advisory Group input.
- As direction evolved, the Board presentation included a longer-term acquisition target of 1,200 AF to replace NPIC contract water over time, paired with policy tools to implement that strategy.

Recommended strategy (September 23, 2025):

Combine purchase of a diversified source (non-tributary groundwater, e.g., VITA) with ongoing acquisition of NPIC shares through dedication and/or CIL, to diversify supply, improve cost predictability, and reduce reliance on NPIC contract water over time.

In November 2025, the Board of Trustees adopted Resolution No. 48-2025 (included in the packet materials) as an early outcome of the WSDP process, setting clear policy direction to diversify and secure the Town’s long-term water supply and reduce reliance on any single source. This action reflected the Board’s consideration of WSDP findings, stakeholder input, and the supply and financial risks identified through 2025. Consistent with that direction, the WSDP recommends a balanced approach that combines acquiring a diversified supply (e.g., non-tributary groundwater) with continued investment in NPIC share ownership to gradually replace contract water over time. The related policy tools presented with this strategy, including setting a market-based CIL rate with administrative updates and increasing the credit yield for NPIC share dedication, are intended as near-term implementation steps that support this approach by strengthening funding mechanisms, aligning incentives, and moving the Town toward a more resilient and financially sustainable water supply portfolio.

Packet materials from the September 23, 2025 presentation are found here: [Archive Center • Board of Trustees - Packets](#).

Policy recommendations (September 23, 2025):

- Set CIL at a market-based rate and allow quarterly administrative updates; and
- Accept only NPIC shares for dedication at a credited yield of 2.2 AF/share.

3) NPIC Negotiations — Context and Current Status

NPIC-delivered water remains Wellington’s largest raw water source. The Town has pursued updated agreement terms to address:

- financial risk tied to volatile, market-driven pricing under portions of the existing Agreement; and
- operational limitations that constrain the Town’s ability to move, store, and manage Town-owned NPIC share water and future “foreign water” supplies using NPIC facilities.



At the Board’s direction, staff negotiated a new framework presented to the Board on January 27, 2026 as two companion agreements intended to function together:

1. 2026 Water Supply Agreement
 - Retains the Town’s perpetual Legacy Water entitlement.
 - Replaces the market-based Additional/Option Water structure with Contract Water under a 40-year term.
 - Proposed pricing is designed to be predictable, starting at \$1,200/AF and indexed to CPI-U, with step-down minimum annual payments during early years (2027–2030) as part of the negotiated framework.
2. Storage & Carriage Operations (SCO) Agreement
 - Establishes the operational pathway for the Town to move, store, and manage both Town-owned NPIC share water and foreign water through NPIC facilities, including delivery to and use from Reservoir #3.
 - Clarifies operating rules, fees, accounting, and coordination protocols to support near-term operations and long-term diversification.
 - One remaining provision is under negotiation related to a one-time “buy-in” payment associated with use of NPIC facilities and operations under the SCO framework.

Packet materials from the January 27, 2026 presentation are found here: [Board of Trustees • Town of Wellington Public Portal • CivicClerk](#).

Current status: Substantial progress has been made. Staff is awaiting NPIC Board direction on the outstanding SCO term and a timeline for response. Staff will return to the Board with final terms for consideration once the remaining item is resolved.

4) Proposed Policy Updates (WSDP Implementation)

To move from planning to implementation, staff is preparing two targeted code updates recommended in the WSDP. The intent is to keep development contributions aligned with market conditions and ensure dedication crediting reflects realistic yield assumptions.

A. Allow More Frequent Administrative Updates to CIL (Recommended Quarterly)

The WSDP recommends setting CIL at a market-based rate and allowing quarterly administrative updates to reduce lag between market conditions and the adopted rate. Under the current approach, CIL changes require an ordinance or resolution, which can create delays and increase risk of:

- under-collecting when NPIC share values rise quickly; or
- over-collecting during flat or declining market periods.

While the existing methodology includes an estimated inflation adjustment to anticipate market changes, this approach has proven unreliable during major market swings and during extended periods of relatively flat share values (as experienced over the past two years). Staff anticipates bringing



ordinance language that establishes a clear methodology and authorizes updates on a defined schedule, with regular reporting to the Board.

B. Update NPIC Yield Credit per Share for Dedications (2.0 → 2.2 AF/share)

The WSDP recommends updating the credited yield for NPIC share dedications to 2.2 AF/share to better align development crediting with how NPIC share water is allocated and used in practice. With the Water Year 2026 addition of the Multiple-Use Direct Flow allocation category, this update more accurately reflects recurring allocation components and improves transparency by aligning code-based crediting with the best available information on typical yield.

BOARD DISCUSSION QUESTIONS

Staff requests feedback to inform ordinance drafting and scheduling:

1. Does the Board support revising code to allow more frequent administrative CIL updates (recommended quarterly) consistent with the WSDP?
2. What reporting/visibility does the Board prefer for CIL updates (e.g., quarterly memo; annual summary during the budget cycle)?
3. Does the Board support updating the NPIC dedication yield credit from 2.0 AF/share to 2.2 AF/share consistent with the WSDP?

CONNECTION WITH ADOPTED PLANS / STRATEGIC DIRECTION

This Work Session supports long-term water supply planning by strengthening Board understanding of existing raw water resources and summarizing the WSDP roadmap emphasizing diversification, affordability, and implementation-ready policy tools. The previewed policy updates directly implement WSDP recommendations.

FISCAL IMPLICATIONS

There is no immediate fiscal impact associated with the Work Session discussion. A subsequent ordinance (if adopted) would affect how development-related contributions are calculated and credited (CIL update frequency and NPIC share yield credit), intended to better align policy with market conditions and the WSDP implementation approach.

STAFF RECOMMENDATION

No action is requested at this Work Session. Staff recommends the Board receive the Town of Wellington Source Water Overview, provide feedback on the proposed policy direction, and direct staff to return at a regular meeting with draft ordinance language for consideration.

TOWN OF WELLINGTON

RESOLUTION NO. 48-2025

A RESOLUTION BY THE TOWN OF WELLINGTON, COLORADO COMMITTING TO DIVERSIFY AND SECURE THE TOWN'S LONG-TERM WATER SUPPLY

WHEREAS, the Town of Wellington has completed a Water Source Development Plan identifying future water supply challenges and opportunities; and

WHEREAS, the Town of Wellington relies on a water supply agreement with the North Poudre Irrigation Company, which has experienced significant cost increases in recent years, making it an unsustainable option as the Town's primary raw water supply; and

WHEREAS, Colorado faces increasing water scarcity due to population growth, drought, and climate variability, requiring proactive planning; and

WHEREAS, the Colorado Water Plan encourages local governments to pursue diversified water portfolios, including renewable and non-renewable sources, reuse, and conservation; and

WHEREAS, private entities are developing projects to access confined aquifers that could provide long-term reliability for municipal water needs; and

WHEREAS, the Town of Wellington Board of Trustees recognizes the importance of collaborating with regional partners and private developers to secure sustainable water supplies.

NOW, THEREFORE, be it resolved by the Board of Trustees for the Town of Wellington, Colorado, as follows:

1. The Board of Trustees commits to actively pursue alternative water supplies to supplement existing sources and reduce reliance on any single supply.
2. The Board of Trustees will evaluate opportunities to participate in confined aquifer projects and other innovative water development initiatives.
3. The Board of Trustees will prioritize water supply diversification in future planning and budgeting.
4. The Board of Trustees directs staff to seek funding and partnerships through all available sources, including state and federal programs, private entities, and innovative financing opportunities, to implement these strategies.
5. The Board of Trustees directs staff to actively pursue, analyze, and assess the feasibility of purchasing non-tributary groundwater rights, to include treatment and delivery, from Front Range H2O Transfer, LLC, including technical, financial, and legal considerations.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 12th day of November, 2025.

TOWN OF WELLINGTON, COLORADO

By: 
Calar Chaussee, Mayor

ATTEST:



Hannah Hill, Town Clerk

