

Littleton Water Rights

Regarding allegations that City Council sold (or gave up) water rights when we renegotiated our contract with Denver Water earlier this year...

The City had no water rights to speak of - I specifically asked City Manager Jim Woods about this before we approved the revised contract. We have rights to a certain flow amount in the South Platte during a certain time of the year, we have rights to some water in the City Ditch, and the City is allowed to use a certain amount from the Highline Canal to ensure that the trees along the canal remain healthy. On February 14, 2011, Mr. Woods responded, by email:

Based upon my reading of the 1970 contract, it does not appear that Littleton conveyed any water rights to Denver. The only surface water owned by Littleton in 1970 were Antero (High Line Canal), and City Ditch rights, which the city retained (see paragraph 7 of the Ancillary Contract). All the rest of the city's system at that time was based upon alluvial ground water wells that had been damaged in the 1965 South Platte flood. In paragraph 4 of the Ancillary Contract, Denver agrees to pay off \$480,154 of outstanding general obligation bonds owed by the city, and in exchange Denver received the rights to a number of wells and small reservoirs around the city. They are listed in Exhibit A of the contract..

I could not find any monetary value attached to those wells, and to the best of my knowledge, Denver has never attempted to develop any of the alluvial ground water for its system due to the negative marginal costs involved. So the answer to question # 2 in my mind is that Littleton has never contributed any water rights to Denver. All of the annexations after 1970 were served 100% by Denver.

We did give up the obligation for Denver Water to provide water to almost anything that Littleton might annex - an annexed area would have to negotiate directly with Denver Water. However, we can receive water for a specific small area that we might annex in Douglas County, and we can provide a certain amount of water for 2 five-year periods in the next 20 years to help a development such as Sterling Ranch bridge its water needs while it acquires water otherwise. When Sterling Ranch made its presentation at City Council last year, they said that they did not really need water from us (that is, water from Denver Water that Littleton was at that time allowed to provide to any place it annexed); they mentioned several sources they were working with. But the "bridge" water could have been used to help them for 5 years.

City Council did not actually vote on whether to annex Sterling Ranch - we voted on whether to go into executive session to give instructions for negotiating with Sterling Ranch. But the vote failed. Within a couple weeks, Sterling Ranch told the City that it was not interested in being annexed.

And for all practical purposes, there is very little land that Littleton could annex at this point. Also note that the previous contract did not guarantee water taps for any land that Littleton annexed - if Denver thought it did not have adequate water, it would not have had to approve

water taps. Furthermore, if Denver Water did not have adequate water, the previous contract allowed Denver Water to limit the amount of water provided to Littleton itself.

Denver Water is paying Littleton \$2 million, plus the cost (about \$400,000) of converting water from City Ditch to water the area around City Center so that we won't have to use potable water for irrigation. That will save Littleton about \$30,000 a year.

Denver Water's motivation was, purportedly, to be able to more precisely define future water needs, because it was and still is facing a lot of the pressure from the Western Slope and the Federal government to clearly define its future water needs and stop asking for so much water from the Western Slope. The irony is that if Littleton wanted to grow vertically (even turning the whole City into the density of New York City), Denver Water would provide as much water as that required. I raised that issue with their representatives during the study session we had with them.