



Agenda Memorandum

Agenda Item – {{section.number}}.F.

City Council Meeting
October 14, 2024



Strategic Priority 5: Resilient Infrastructure

Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.

Subject: Authorize the City Manager to Execute a Common Interest and Confidentiality Intergovernmental Agreement Among the Cities of Westminster, Thornton, and Northglenn Regarding the Feasibility of Severing the Standley Lake Division from Farmers Reservoir and Irrigation Company

Prepared By: Jody Andrews, City Manager

Recommended City Council Action:

Authorize the City Manager to execute the Common Interest and Confidentiality Intergovernmental Agreement among the Cities of Westminster, Thornton, and Northglenn Regarding the Feasibility of Severing the Standley Lake Division from Farmers Reservoir and Irrigation Company.

Summary Statement:

The cities of Westminster, Thornton, and Northglenn (Cities) are shareholders in the Farmers Reservoir and Irrigation Company, a nonprofit mutual ditch company formed under Colorado law (FRICO). The Cities and FRICO's management have entered into discussions regarding the future of FRICO's Standley Lake Division (Standley Lake), including the possibility of severing Standley Lake from FRICO and becoming a separate entity under the joint management of the Cities.

To determine the feasibility of severing Standley Lake from FRICO, the Cities have engaged a consultant to conduct an assessment of FRICO's various assets and liabilities. The Cities share a common interest in the information and documentation garnered via the FRICO Assessment, as such information will inform the Cities' mutual and individual evaluations of the financial and logistical resources and obligations of Standley Lake and the propriety of assuming financial and organizational control thereof. It is therefore in the Cities' common interest to share information among each other related to the assessment effort and to enter into the proposed Common Interest and Confidentiality Intergovernmental Agreement, attached.

Fiscal Impact:

\$0 in expenditures

Source of Funds:

Not applicable

Policy Issue(s):

Should City Council authorize a Common Interest and Confidentiality Intergovernmental Agreement among the Cities of Westminster, Thornton, and Northglenn?

Alternative(s):

City Council could choose not to allow the City to discuss in common interest and in confidentiality with the Cities regarding the possibility of severing the Standley Lake Division from FRICO. Staff does not recommend this alternative. Providing for the confidential exchange of information and ideas among the Cities is vitally important for in exploring this significant opportunity for the Cities to have more control of their Standley Lake water supplies.

Background Information:

In 1979, the Cities entered into what is known as the “Four-Way Agreement” with FRICO to detail the manner in which Standley Lake would be managed. The intent of this agreement was to give the Cities, as the majority shareholders in Standley Lake, more input into the operations and maintenance of Standley Lake. Since the agreement was signed 45 years ago, the needs of the Cities have evolved, but the agreement has not changed.

Over this time, the Cities’ interests have diverged from FRICO’s priorities on a number of issues, specifically including how Standley Lake is being operated. Northglenn and Westminster have been particularly concerned about issues related to security measures on critical lake and dam infrastructure. In response to these concerns, staff from all three Cities have been discussing possible options for the future of the Four-Way Agreement and the future of Standley Lake as a part of the larger FRICO organization.

Recent discussions have focused on the need for greater understanding of FRICO assets, particularly those related to Standley Lake. Discussions have also raised the possibility – and feasibility – of separating Standley Lake from FRICO.

The proposed Common Interest and Confidentiality Intergovernmental Agreement (IGA) would allow the Cities to share information that may be sensitive in nature or otherwise concern the Cities’ common interests in evaluating FRICO assets and operations. The IGA would provide for the protection and confidentiality of information developed or shared by the Cities in evaluating FRICO’s information as provided by the assessment of FRICO’s various assets and liabilities. It would also protect FRICO’s financial and commercial information that should not be made publicly available.

This agreement supports the City’s Strategic Priority of Resilient Infrastructure by allowing the City to explore the possibility of severing the Standley Lake Division from FRICO and becoming a separate

entity under the joint management of the Cities.

Respectfully submitted,

Jody Andrews

Jody L. Andrews
City Manager

Attachments:

Common Interest and Confidentiality Agreement