

# **Town of Erie Water Allocation Policy**

*May 26, 2026*

## **Introduction:**

The purpose of this policy is to ensure that the Town's long term fiscal and economic health is supported by strategic allocation of the Town's water resources. This policy aligns the Town's remaining water rights for purposes aligned with public service delivery, economic development, and the Town's long term vision. The policy establishes a clear framework for staff to implement and regularly update with annual allocation assignments.

## **Section 1 – Definitions:**

*Acre-foot (AF):* A unit of volume commonly used to measure large-scale water resources. The measure represents the volume of water required to cover 1 acre of land to a depth of 1 foot.

*Single-family equivalents (SFE):* A unit of measurement representing the average water consumed by one single-family household.

*Unified Development Code (UDC):* The Town's codified land use regulations. Otherwise referred to as 'The Unified Development Code of the Town of Erie, Colorado, as amended'.

## **Section 2 – Policy Statements and Objectives:**

- A. The Town's available unallocated water supply will be managed across a six-year planning horizon to ensure alignment with Town priorities.
  1. The total available water supply for new development or uses will be distributed into annual allocations, confirmed by Council at the beginning of each year. Available annual water allocations will be adjusted based on updated supply, infrastructure capacity, and market demand.
  2. Staff will distribute the allocations into categories based on projected capital projects and development. The water allocation in each category will be available on a first come, first serve basis, and assigned and reserved at application of building permit and the payment of the required fee in lieu of water dedication. Allocations for residential uses may be further limited each month to ensure building activity is supported throughout the course of the year. Building permit applications can only be submitted to the Town once projects are entitled and platted, and initial infrastructure is completed and approved by Public Works.
  3. Unused allocations will expire annually and return to the available supply for reassignment.

4. The process identified in this policy will only apply to development where the water dedication requirements are proposed to be satisfied by the payment of a fee in lieu.
- B. The annual supply of allocations will be distributed into five categories. Staff will recommend percentages that align with the Town’s long-term fiscal sustainability, infrastructure needs, and adopted plans. Water resources will be directed first to critical public services, while also facilitating commercial and residential growth within available capacity. The categories are defined as:
1. **Contingency Use:** Reserved for unanticipated needs, system reliability, or emergency situations such as weather events or extreme drought. This category provides flexibility to respond to system needs, unforeseen conditions, or project needs. Allocations from this category are made at the discretion of the Town Manager.
  2. **Public Projects:** Reserved for civic facilities, parks, and infrastructure identified through the Capital Improvement Program. These projects are prioritized to ensure the continued delivery of public services to Town residents and for the implementation of strategic plans.
  3. **Economic Development:** Reserved for commercial, retail, employment, and mixed-use developments that contribute to sales tax, job creation, and long-term fiscal sustainability.
  4. **Residential Development:** Supports the continuation of the existing residential development pipeline. Commercial multifamily development is included in this category.
  5. **Affordable Housing:** Projects meeting the UDC definition of Affordable Housing Project are eligible for AF allotment (equivalent SFE) for each affordable unit provided. These units must be deed restricted according to the income levels outlined in the definition of Affordable Housing Project.

### **Section 3 – Annual Water Allocation and Distribution:**

- A. The total annual allocation, categories, and initial allocations to such categories for the remainder of 2026 are described below. The percentages are based on historical data, development pipelines, and capital projects planned for the year.
1. The total allocation remaining for 2026 is 125 AF.
  2. The categories and percentages for 2026 are as follows:
    - a. Contingency Use: 10%, 12 AF

- b. Public Projects: 10%, 12 AF
  - c. Economic Development: 15%, 19 AF
  - d. Residential Development: 65%, 82 AF
  - e. Affordable Housing: 0%, 0 AF
- B. On or before December 31, 2026, Staff will present to Town Council an updated Water Allocation Policy to determine the total allocation for 2027. In the event Town Council does not approve an updated Water Allocation Policy by December 31, 2026, the total allocation for 2027 and all subsequent years, until changed by resolution of Town Council, will be the lesser of 125 AF or the total amount of unallocated water supply in the Town's inventory; provided.

#### **Section 4 – Allocation Assignment:**

- A. All Public Project allocations will be reserved through the Capital Improvement Plan process and adoption of the annual budget by Town Council. Allocations for commercial and residential development categories will be assigned at payment of fee-in-lieu, which may not be before submittal and confirmation of a complete building permit application. Contingency use will be at the Town Manager's discretion.
- B. Minor modifications of up to 10 AF may be moved between categories at the Town Manager's discretion. Additional changes above 10 AF will require Town Council approval.
- C. If a building application or permit with a Town water allocation expires due to inactivity, the associated water allocation will also expire and be returned to the Town's available supply. Reimbursement of fees paid for the water allocation will only occur after an application for such reimbursement is submitted by the applicant no later than the timeframe identified in the Erie Municipal Code.
- D. Accessory Dwelling Units (ADUs) are not required to provide new water dedication provided they do not require a larger tap than the existing primary structure. Upsizing a tap or providing a new/individual tap to the ADU would require new water dedication or fee-in-lieu.
- E. The number of SFEs required for a particular development and the fee in lieu of water dedication will be determined in accordance with Title 8, Chapter 1 of the Erie Municipal Code.
- F. The Town does not have any obligation to provide water service to a new development or for a new use which has not dedicated an adequate water supply

in accordance with Title 8, Chapter 1 of the Erie Municipal Code or reserved water in accordance with this policy.