

In 2003 Lyons signed an Inter-Governmental Agreement (IGA) with Longmont for Longmont to provide Lyons with treated water. For Longmont to provide treated water they must have the rights to get enough untreated water that they can treat and provide to Lyons. The IGA includes a section on how Lyons will supply Longmont with the water rights that would be needed for Lyons treated water supply. Water Rights in Colorado are a complex subject. There are attorneys who specialize in water rights. This is a simplified narrative on Lyons's water rights and the IGA with Longmont for them to provide Lyons with treated water.

The right to use raw water in Colorado comes from multiple sources. The first source of water rights mentioned in the agreement is 300 acre-feet of water available to Lyons from Longmont's Button Rock Reservoir from a 1969 agreement with Longmont. In recent decades these water rights have been held for emergency needs as additional water rights have been obtained.

Lyons also owns shares in a handful of irrigation ditches which are also a form of water right. Many of these irrigation ditch water rights are not in a location that the raw water can be passed on to Longmont for treatment.

One form of water right that is accessible from several locations along the Front Range is shares in a project called the Colorado Big Thompson Project (C-BT). A unit or share of C-BT water can be bought or sold and therefore has become a common method for transferring water rights from one entity to another. The IGA primarily uses C-BT water to document the transfer of water rights from Lyons to Longmont.

In 2019 Lyons and Longmont amended the IGA to also include shares of Lake McIntosh Reservoir Company water for projects that met certain qualifications, primarily affordable housing or commercial / economic development projects.

In 2003 when the IGA was approved, Lyons had 598 shares of C-BT water. Longmont required 500 shares be dedicated to them for the existing 736 connections to the water system and that one additional share be dedicated for each new ¾" equivalent connection that was made to the system. Lyons had 98 shares of C-BT remaining that were not yet dedicated to Longmont. It was believed that these shares would cover the remaining buildable lots that were in the town at that time and that the town would be able to dedicate an additional share for each of these parcels as they tapped into the water system. The IGA uses the term Pre-Existing Commitments to describe these parcels.

For new properties that annexed into town or lots that were subdivided the IGA requires the property owner to bring to the Town of Lyons the equivalent of one C-BT share for each ¾" equivalent tap into the water system. These were described as New Approvals and with this provision Lyons could be sure it kept the original 98 shares for dedication to Longmont when a pre-existing commitment decided to connect to the water system. New approvals would be required to bring a share to Lyons that could then be dedicated to Longmont.

As of October 2021, Lyons holds 727 units of C-BT water and was required to dedicate 708 of them to Longmont. It is believed there are five Pre-Existing Commitment properties that can connect to the water system without the requirement of bringing water rights to the town.

Lyons also holds eight shares of Lake McIntosh Reservoir Company water and was required to dedicate 1.4 shares to Longmont, last year.