



WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

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SUBJECT FOR DISCUSSION

Water Resources Matters in the Fort Collins Growth Management Area: Study Report Results.

EXECUTIVE SUMMARY

The purpose of this item is to discuss results of the 'Water Resources Matters in the Fort Collins Growth Management Area: Study Report' (Report) and determine next steps. This study was a result of Council's direction to staff to pursue more regional collaboration between the Fort Collins Utilities (Utilities) and surrounding water districts. Through interviews and discussions with Boards/Commissions, and an evaluation of information, numerous matters for improved collaboration were identified as well as some potential solutions.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions does Council have about the Water Resources Matters Study?
2. What thoughts or direction does Council have about pursuing the next suggested steps?

BACKGROUND / DISCUSSION

Regional water issues have become more and more prevalent creating a need for stronger regional collaboration. Utilities has a history of valuing regional water collaboration and in 2015, City Council directed staff to further pursue regional collaboration opportunities with surrounding water providers with the belief that regional collaboration could improve water supply reliability across the growth management area (GMA). Drivers for regional collaboration include:

- Water to support new development is increasingly expensive and complex.
- New homes have becoming increasingly unaffordable due to development fees.
- Infrastructure maintenance and failures impact multiple water service providers.
- Colorado River drought conditions could have significant implications on water providers' water supplies.

Regional collaborative efforts include:

- Various water treatment, supply, conservation, and infrastructure sharing/sales agreements (over many years) between the City of Fort Collins (City) / Utilities and other water providers.
- Long-standing (but periodic) meetings with Utilities staff and Soldier Canyon Water Treatment Authority entities (East Larimer County Water District (ELCO), Fort Collins-Loveland Water District (FCLWD), and North Weld County Water District (NWCWD)) on treatment and water resource issues.
- Attempt at joint pursuit of Halligan expansion project with ELCO, FLCWD, NWCWD, and North Poudre Irrigation Company (NPIC). ELCO, FLCWD, and NWCWD withdrew in 2009 and NPIC withdrew in 2014).
- Starting in 2009, staff began expanding participation in the Sprinkler Checkup Program to first include FCLWD and then ELCO customers.
- In 2016, a committee of water managers and board members from the City, ELCO, FCLWD, and NWCWD formed to discuss regional collaboration on water-related issues (known as the Regional Water Collaboration Committee).
- In 2018, Utilities, ELCO, FCLWD, and the North Front Range Metropolitan Planning Organization participated in the Growing Water Smart program to work on integrated water and land use planning issues.
- In 2019-2020, Utilities, ELCO, FCLWD, and NWCWD worked collaboratively on the Horsetooth Reservoir Outlet Project. Also, the Regional StratOp group was formed to discuss Northern Colorado water issues with elected officials and leaders from Larimer and Weld Counties, municipalities, and water providers
- Utilities participated in Larimer County's regional water existing conditions report.
- Utilities has and continues to have discussions with Northern Water on Colorado River drought impacts to the Colorado-Big Thompson (CBT) system.
- In 2021-2022, staff initiated this WRSM Report.
- In 2022, staff coordinated with the surrounding water and wastewater districts to expand the newly adopted graywater codes beyond Utilities water service area.

Goal of Study

The Utilities' water service area boundary, city boundary, and GMA do not coincide. Utilities' water service area covers the central portion of Fort Collins city limits. Utilities supplies water to approximately 75% of residents and businesses in Fort Collins. Water service in the other portions of Fort Collins and the GMA is provided by other water providers, including six other water districts: ELCO, FCLWD, West Fort Collins Water District, Spring Canyon Water and Sanitation District, and Sunset Water District (Districts). Significant differences exist about the various water providers in terms of mission, organizational size, staffing, financial resources, water rights portfolio, and development patterns.

The WRMS was pursued to provide insight on the challenges and opportunities around regional water providers with the goal of:

- Improved understanding of regional water matters and improve alignment across City and Utilities organizations.
- Better understanding of the perspectives of the Districts and other stakeholders working in the GMA about what it is like to work with the City and Utilities organizations on water-related matters.
- Systematically evaluate the challenges and opportunities that arise from having multiple water service providers in the GMA.

The study involved three phases: 1) Discovery through interviews, surveys and meetings with City staff, the Water Board (now Water Commission) and external stakeholders in the Districts; 2) Evaluation of information through a ranking system; and 3) Output of the results and potential solutions.

Results

The City and Utilities felt internal collaboration has been going well. However, the City, Utilities and Districts felt there is a need for significant improvement between the City/Utilities and Districts regarding engagement and collaboration.

Listed below are 16 water matters that were identified for a GMA with multiple water providers (Table 3 in the attached report provides additional detail). The bold represent the most cited categories but also the most challenging.

- Competition of water rights acquisition
- Coordination between City and Districts
- Customer experience varies
- **Development review processes and water requirements vary**
- Education and advocacy not consistent/aligned
- City as a customer of the Districts for water service on some City properties
- Future water related challenges will evolve and grow
- Intergovernmental Agreements challenges
- **Infrastructure and Service Areas need clarity on size and boundary**
- Joint programs and projects could expand
- Leadership needs increased knowledge of water issues
- Mission and values differ
- Need increased modeling and analysis
- **Organizational structures vary in size and resources**
- **Need improved planning and policy alignment**
- Opportunity for improved system redundancy and resilience within the GMA

Potential solutions

106 potential solutions were identified in the Discovery phase, some which are internal to the City/Utilities and some that require partnership with the Districts. After evaluation, five “high-benefit” solutions and three “tactical” solutions rose to the top as solutions to potentially pursue. High benefit solutions range from requiring low to high resources (staff and financial) and are likely more challenging. Tactical solutions also range from low to high resources but are more straightforward in approach and can be initiated and led by the City/Utilities. These are summarized below:

High-Benefit Solutions

- Support District strategies to increase raw water storage (where not in contradiction to Council direction).
- Develop an emergency plan IGA to have in place if/when it is needed.
- Explore establishment of a water bank program to buy raw water rights that can later be dedicated to help subsidize affordable housing or other community-benefitting projects.
- Expand conservation program offerings across the GMA through incentives or shared program delivery (like the sprinkler checkup program).

Tactical Solutions

- Development Review

- Work with Districts to educate and align on development review processes and expectations for comments and reviews.
- Gather information and develop a handout of District requirements and costs to provide during the development review process.
- Planning & Analysis
 - Quantify water impacts of long-range plans.
 - Across the GMA, conduct better assessments of future water demands as well as water supply and infrastructure constraints.
 - Include Districts in upcoming City/Utilities projects, when appropriate, such as the 2022-2023 Xeriscape and Soil Amendment Council Priorities work and the Water Supply and Demand Management Policy update.
- Boards & Leadership
 - Regularly attend District board meetings (City staff and/or Council members).
 - Recruit individuals with water expertise to run for boards and commissions.

NEXT STEPS

- Continue to meet with Districts
 - Build more trusting and collaborative relationships
 - Improve collaboration on pursuing more challenging high-benefit solutions
- Continue involvement with Regional StratOps, Larimer County water supply planning effort, District boards meetings, and other regional groups
- Develop handout of various requirements/costs for development review process
- Continue to explore joint conservation efforts and programs
- Better coordinate communication and public outreach around drought, especially during water shortages

ATTACHMENTS

1. Water Resources Matters in the Fort Collins Growth Management Area: Study Report