



AGENDA ITEM SUMMARY

City Council

STAFF

Mariel Miller, Water Conservation Manager
Kerri Ishmael, Senior Analyst, Grant Administration
Eric Potyondy, Legal

SUBJECT

First Reading of Ordinance No. 034, 2023, Making Supplemental Appropriations from the Colorado Water Conservation Board Grant and Water Fund Reserves and Authorizing Transfers of Appropriations for the Water Efficiency Plan Update.

EXECUTIVE SUMMARY

The purpose of this item is to support updating the City's Water Efficiency Plan by end of 2024 by:

- Appropriating \$160,000 of unanticipated grant revenue, awarded by the Colorado Water Conservation Board, to the Water Fund
- Appropriating \$65,795 from the Water Fund reserves
- Utilizing matching funds in the amount of \$126,705 from existing 2023 appropriations into this new grant project

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The State requires Fort Collins Utilities and other water providers to update a Water Efficiency Plan every seven years. Fort Collins Utilities adopted the 2015 Water Efficiency Plan in 2016 (Attachment 2), which requires an update in 2023. Staff received approval from the State to extend the update to allow for more time to complete the plan. In preparation for this update, staff requested a one-time, two-year enhancement offer pursuant to Budget Offer 1.42 (Attachment 3). Council approved this offer as part of the 2023-2024 Adopted Budget, with \$100,000 being appropriated as part of the current 2023 fiscal year budget (and \$150,000 as part of the 2024 budget). Implications to year two of Offer 1.42 will be addressed during the 2024 Budget Revision process.

The Colorado Water Conservation Board (CWCB) recently awarded a Water Plan Grant to Fort Collins Utilities (Board's approval is reflected in meeting minutes in Attachment 4) to support updating the required Water Efficiency Plan by 2024. The award was based on total project costs of \$352,500, with the CWCB providing \$160,000 in funds and the remaining \$192,500 being provided by Fort Collins Utilities as grant match. The details of Utilities' grant match (Water Fund) over the projected two-year period are as follows:

- \$144,965 for consultant costs as cash match.
- \$47,535 for personnel costs as in-kind match.

This is \$105,035 less than requested from Budget Offer 1.42, over the two-year period.

The Water Efficiency Plan update will improve the existing plan. Grant funds will primarily be used to pay for consultants to help develop new plan elements, including the following:

- Model climate and water savings – evaluate potential for water savings under a range of current and potential conditions, including climate, population, and population density.
- Facilitate focus groups and meetings to identify One Water strategies – identify demand management strategies, further advance cross-departmental collaboration, and gather input on meaningful water demand goal(s) by engaging with internal City staff who influence the way water is used and/or work in the water field.
- Work with community partners on inclusive public engagement – identify demand management strategies, gather public input on meaningful water demand goal(s), and develop relationships with engaged community members to facilitate understanding and opportunities between the Utilities Water Conservation team and our community, especially marginalized communities.
- Analyze demand management strategies for equity – Perform equity gap analysis of current and potential water demand management strategies, to identify gaps or barriers to water efficiency opportunities, so that equity can be considered along with water savings efficacy and cost when prioritizing demand management strategies.

As presented in Attachment 5, Budget and Schedule for the Water Plan Grant, as approved by the CWCB, both the CWCB and Fort Collins Utilities will share costs for Task 1 through Task 4 on a cost share basis of 52.47/47.53%, respectively. These costs are for third-party consultant costs. In addition, Fort Collins Utilities will provide personnel time as described in Task 5. Costs for personnel time will be covered 100% by Fort Collins Utilities.

CITY FINANCIAL IMPACTS

This item appropriates \$225,795 in project costs for updating the 2024 Water Efficiency Plan from:

- \$160,000 in unanticipated grant revenue
- \$65,795 in Water Fund reserves to be used towards the required matching funds

Additionally, required matching funds in the amount of \$126,705 have already been appropriated in the 2023 Water Fund in the Water Conservation operating budget. The total project cost is \$352,500.

This grant from CWCB is a reimbursement type grant, meaning Water Fund expenses will be reimbursed up to \$160,000.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

N/A

PUBLIC OUTREACH

N/A

ATTACHMENTS

1. Ordinance for Consideration
2. 2015 Water Efficiency Plan
3. 2023-2024 Budget Offer 1.42 – Utilities Water Efficiency Plan Update
4. Colorado Water Conservation Board Minutes
5. State Approved Budget and Schedule for the Water Plan Grant