

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Katie Donahue, Natural Areas Director  
Jen Dial, Water Resources Manager  
Bernadette Kuhn, Senior Environmental Planner/Project Manager  
Kerri Ishmael, Grants Administration

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## SUBJECT

**Resolution 2024-059 Supporting the Grant Application for the United States Department of the Interior, Bureau of Reclamation’s WaterSMART Grants: Planning and Project Design for the Poudre Flows Project and Authorizing the City Manager to Execute Agreements Regarding Such a Grant.**

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## EXECUTIVE SUMMARY

The purpose of this item is to obtain support for the City to apply for funds under the United States Department of the Interior, Bureau of Reclamation’s (“Reclamation”) WaterSMART Planning and Project Design (“WaterSMART”) Grant Program for the Poudre Flows Project. The Reclamation requires a resolution demonstrating (1) Council’s support of the City’s request for funds under the WaterSMART Grant Program and, assuming the City is selected to receive funding, (2) the City’s commitment to work with Reclamation in finalizing an agreement that, among other things, demonstrates the City’s adherence to meet financial obligations as represented in the grant application.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

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## BACKGROUND / DISCUSSION

Since 2013, the City of Fort Collins (“City”) has collaborated with regional water providers and partners on an innovative effort to provide protected instream flows on a 52-mile reach of the Cache la Poudre River (“Poudre River”). This effort, called the Poudre Flows Project, will use existing water rights owned by the cities of Fort Collins, Greeley, and Thornton, that will be delivered to the Poudre River as protected stream flows to maintain and improve the river health. To operate the City’s water right contribution to the Poudre Flows Project, upgrades must be made to the Arthur Ditch diversion structure. The City is collaborating with the structure’s owners, the Arthur Irrigation Company, and ICON Engineering to design structural upgrades needed to measure and deliver the City’s water to the Poudre River. To fund the full design and permitting phase, the project team is seeking grant funding from the Reclamation WaterSMART program that provides up to \$400,000 for successful recipients working on water management resiliency projects. To meet the requirements of the WaterSMART Grant Program, the project team seeks a Resolution that provides Council’s support for the City’s request for funds under the Reclamation’s fiscal year 2024 funding cycle.

The Poudre Flows Project is a critical project that will support Council’s Proposed Priority #8 to, “Protect community water systems in an integrated way to ensure resilient water resources and healthy watersheds”. This priority will only be achieved through strong regional partnerships, and the Poudre Flows Project brings together the City, the Cache la Poudre Water Users Association, the Colorado Water Conservation Board, the City of Thornton, the City of Greeley, Northern Water, and the Colorado Water Trust.

The City has and continues to pursue external funding in support of design, permitting, and construction of needed upgrades at the Arthur Ditch diversion structure, located downstream of the intersection of Taft Hill Road and the Poudre River. The conceptual design phase (\$120,000) is nearly completed. This effort was possible through City 2023 committed funds from Fort Collins Utilities (“Utilities”) and Natural Areas. Final design and permitting costs are estimated between \$700,000 and \$1,200,000. In support of funds needed for final design and permitting, the City is presenting a proposal under the Reclamation’s WaterSMART Grant Program, requesting the maximum award amount of \$400,000. Based on the required cost share, the City is proposing \$429,230 in cash and in-kind match (Table 1).

Table 1. Poudre Flows Project grant opportunity details.

<b>Funding Source</b>	<b>Scope</b>	<b>Amount Requested</b>	<b>City Match Amount</b>	<b>Requirements</b>	<b>Deadline</b>
Reclamation WaterSMART Planning and Project Design Grant	Final Design/Permitting	\$400,000	\$429,230	Council Resolution stating matching funds commitment	May 21, 2024

**Next Steps**

Pending a resolution demonstrating City Council’s support of the City’s pursuit of funds for the Poudre Flows Project, the City will submit a proposal for \$400,000 under Reclamation’s WaterSMART Grant Program by May 21, 2024. The City will continue to pursue external funding and work through conceptual design options that meet the needs of the Poudre Flows Project and the Arthur Irrigation Company.

**CITY FINANCIAL IMPACTS**

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Support of City’s collaboration amongst Natural Areas and Utilities in applying for Reclamation’s WaterSMART Grant Program does not impact City finances. If the grant is awarded, the City will subsequently seek appropriation of such grant funds from Council for transfer and/or appropriation of the City’s matching funds to align with City Charter.

**BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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The Land Conservation and Stewardship Board passed a motion on March 6, 2024, to recommend Council adopt a resolution supporting the City’s request for funds under Reclamation’s WaterSMART Grant Program.

**PUBLIC OUTREACH**

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None.

**ATTACHMENTS**

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1. Resolution for Consideration