

MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



Water Commission REGULAR MEETING

May 21, 2026 – 5:30 PM

222 Laporte Ave., 1st Floor, Colorado River Room

1. CALL TO ORDER

a. 5:31 PM

2. ROLL CALL

- a. Commissioners Present (In Person): Chairperson Laura Chartrand, Vice Chair James Bishop, Heidi Schram, Jordan Radin, Gregory Steed
- b. Commissioners Present (online via Teams): Carson Madryga,
- c. Commissioners Absent: Chairperson Paul Herman, Nicole Ng, Nick Martin,
- d. Staff Members Present (In Person): Gina Shubin, Jen Dial, Katie Collins, Michael Neale, Nicole Poncelet-Johnson
- e. Staff Members Present (online via Teams): None
- f. Guests: Rob Graves (Teams),

3. AGENDA REVIEW

Chairperson Chartrand reviewed the agenda and asked commissioners for any proposed changes; There were none.

4. COMMUNITY PARTICIPATION (Public Comment)

(3 minutes per individual)

None

5. APPROVAL OF MINUTES: April 16

Commissioner Radin moved to approve the April 16 minutes as presented

Commissioner Schram seconded the motion

Vote on the motion: it passed unanimously, 6-0

6. UNFINISHED BUSINESS

a. None

7. NEW BUSINESS

a. Staff Reports

i. Financial Monthly Report

(Meeting packet only/No presentation)

ii. **Water Supply and Demand Status Update** (Presentation: 15 minutes, Discussion: 10 minutes)

Michael Neale, Water Resources Engineer

Michael provided an update on the current water supply and demand outlook, including conditions associated with the voluntary Water Shortage Watch that went into effect on May 1, 2026. Staff reported that the region experienced the driest and hottest winter on record, with snowpack levels reaching a historic minimum. It was noted that peak seasonal snow runoff has likely already occurred, and current streamflow forecasts are approximately 37% of average conditions. Staff discussed higher-than-normal water demand experienced in March due to warmer weather conditions. An unusually high demand day in May was also noted, partially attributed to inconsistent water repayment deliveries from Loveland. Despite these conditions, staff stated that current modeling continues to project an overall water surplus for 2026. Several supply and demand scenarios were reviewed, including average and high-demand projections, to evaluate system resiliency and support the projected annual surplus outlook. Staff noted that the City is currently prepared to meet high customer demand even under a severely limited Poudre River supply scenario.

Additional discussion included support being provided to Parks operations due to low river and creek conditions. Staff clarified that the voluntary Water Shortage Watch is intended to proactively alert customers to the increased potential for future water restrictions if dry conditions persist. It was also noted that East Larimer County Water District and Fort Collins-Loveland Water District are also operating under voluntary reduction measures. Staff further clarified that raw water supplies are not currently impacted.

Discussion Highlights

Commissioners inquired whether the projected 2026 water surplus is dependent on implementation of water restrictions. Staff clarified that the projected surplus is not dependent on restrictions; however, the current voluntary reduction measures are expected to support and help preserve the projected surplus conditions.

Discussion also occurred regarding the recent increase in CBT allocation levels and assumptions used within the supply modeling scenarios. Staff clarified that the supply graph presented reflects only the City's water rights and limited Poudre River scenario assumptions and does not account for potential releases from Joe Wright Reservoir.

Commissioners further discussed public perception regarding the current voluntary Water Shortage Watch and questions from customers about whether mandatory restrictions should already be in place. Staff member Alice Conovitz explained that current modeling and supply calculations do not support implementation of mandatory restrictions at this time. Staff acknowledged, however, the increased potential for mandatory restrictions in the future should dry conditions continue or worsen.

- iii. **2025 Water Conservation Annual Report** (Presentation: 15 minutes, Discussion: 10 minutes)

Katie Collins, Water Conservation Specialist

Staff presented a general overview of the City of Fort Collins Utilities service area, customer base, and current water conservation efforts. It was noted that water demand is driven primarily by outdoor irrigation during the summer months, making conservation efforts an important component of overall demand management. Staff reported that 2025 conservation efforts resulted in an estimated 2.5% water savings, equating to approximately 2,500 households' annual water use. Total annual water savings for 2025 were reported at approximately 169.4 million gallons. A breakdown of conservation savings between residential and commercial sectors was also presented. Discussion included the evolving role of water conservation, with staff noting that current efforts are increasingly focused on preparing the community for future water supply conditions and long-term resiliency. Staff also provided a broad overview of the Water Conservation team's responsibilities, including water loss audits, development plan review, and implementation of efficiency programs. Staff discussed the sunset of the 2015 Water Efficiency Plan and highlighted major accomplishments achieved over the past decade, including xeriscaping incentives, toilet rebate programs, and sprinkler system evaluations. Commissioners were informed that City Council adopted the updated Water Efficiency Plan in September 2025. Key goals within the updated plan were reviewed, including achieving a 4% annual reduction in water use by 2040 and improving overall water efficiency throughout the community. Staff noted that current efforts are focused on implementation of the voluntary Water Shortage Watch, development of new and enhanced conservation strategies, and refinement of public messaging and outreach efforts. Staff also shared that new conservation metrics and evaluation frameworks are currently being developed, with plans to return to the Water Commission in the future to gather commissioner feedback on the proposed metrics and performance measures.

8. REGULAR ITEMS

- i. **One Water Utility Long-term Water Rental Policy**

(Presentation: 15 minutes, Discussion: 10 minutes)

Jen Dial, Water Resources Manager

Staff presented an overview of the proposed One Water Utilities Long-Term Water Rental Policy and outlined a recommendation for City Council adoption of the policy framework.

Staff explained that the city typically experiences surplus water supplies during average and wet years because current water supply and demand management planning is designed around resiliency for a 1-in-50-year drought scenario. The proposed policy is intended to provide a structured approach for temporary rental

of excess water supplies when surplus conditions exist.

Potential entities and uses eligible under the policy were discussed, including agricultural users, regional water providers, environmental purposes, and other approved users that could benefit from temporary water rentals. Staff noted that rental sources would consist of available raw water and reusable water shares currently held by the city.

Staff clarified that water rentals would not be permitted during Level 1 through Level 4 water restrictions but could be allowed during voluntary water shortage watches if supply conditions support availability. The proposed policy would allow rental agreements for terms of up to five years.

Additional discussion included proposed terms and conditions associated with rental agreements, including considerations related to rental duration, water volume amounts, and pricing structures. Staff noted that all rental requests would be reviewed and evaluated by the Water Resources Manager prior to approval.

Discussion Highlights

Commissioners engaged in extensive discussion regarding the proposed Long-Term Water Rental Policy and requested additional information and clarification on several policy, operational, financial, and legal considerations prior to advancing a formal recommendation.

Commissioners first inquired whether existing short-term lease holders would have an opportunity to extend or transition their current agreements into longer-term leases under the proposed framework. Staff responded that no provisions currently exist within the draft policy to address extensions or priority considerations for current lease holders.

Discussion then focused on how available surplus water would be allocated among applicants if demand exceeds available supply. Staff explained that, under the current proposal, requests would generally be evaluated on a first-come, first-served basis. Staff further noted that allocation caps or limitations have not yet been established, as the City has not yet determined the potential volume or scale of future requests. Staff indicated that limitations or caps may need to be developed once market demand becomes clearer.

Commissioners also questioned how the City would manage lease agreements if projected surplus conditions prove inaccurate and the City later experiences supply shortages. Staff clarified that leased water deliveries would cease if the City entered formal water restriction stages, noting that long-term leases would not override the City's operational supply and drought management priorities.

Additional questions were raised regarding the impact of filling additional storage capacity associated with Halligan Reservoir and how expanded storage could affect projected surplus volumes and long-term supply assumptions.

Commissioners discussed whether the city should consider auction-based approaches for leasing surplus water rather than utilizing flat-rate or administratively determined pricing structures. Commissioners expressed interest in understanding whether auctioning water could maximize financial benefit for utility ratepayers. Staff acknowledged the discussion and stated they would further evaluate auction-based concepts and return to the Commission with additional analysis and information.

Questions were also raised regarding the potential market value of a 10,000 acre-foot, one-year lease. Staff explained that values can vary significantly depending on use type, noting that agricultural leases typically generate lower rates than municipal leases. Staff estimated that a rate of approximately \$100 per acre-foot could result in roughly \$1 million in annual revenue for a 10,000-acre-foot lease.

Commissioners and staff further discussed anticipated demand for long-term lease agreements and acknowledged that pricing would likely be influenced heavily by existing regional market conditions and what entities are willing to pay for available water supplies. Discussion included considerations related to variable versus fixed pricing structures over a five-year lease term, as well as the comparative risks and benefits associated with auction models versus negotiated long-term agreements.

Additional discussion occurred regarding the potential future demand from large-scale industrial users, including data centers, and how future water-intensive development could influence leasing strategies and long-term policy considerations.

Commissioners also requested clarification regarding differences between the City's existing one-year leasing structure and the proposed five-year lease option. Staff discussed the operational and administrative benefits associated with providing longer-term leasing certainty while also acknowledging uncertainties related to long-term allocation limits and appropriate caps on individual lease volumes.

Commissioners asked whether the city has historically leased all available surplus water supplies. Staff confirmed that historically the City has generally leased all identified surplus supplies during eligible years.

Throughout the discussion, commissioners expressed several overarching concerns, including:

- The use of a first-come, first-served allocation model;
- Potential revenue implications associated with fixed-rate leasing versus auction-based approaches;
- The absence of proposed caps or allocation limits for long-term leases;
- Potential legal or litigation risks associated with allocation decisions and policy implementation;
- Whether modifying the broader leasing policy for relatively limited long-term demand requests could unintentionally impact existing one-year leasing operations.

Commissioners also discussed the potential consequences of delaying policy adoption and implementation while additional analysis is completed. Staff acknowledged the need for additional evaluation and expressed willingness to return with further information addressing the Commission's larger policy and financial questions prior to formal action.

Following discussion, commissioners elected not to make a formal motion at this time and requested additional clarity and supporting information before proceeding with further consideration of the proposed policy.

9. COMMISSIONER REPORTS

(Committees, event attendance, etc.)

- a. None

10. OTHER BUSINESS

(Commissioner concerns, announcements)

a. None

11. ADJOURNMENT: 7:06 PM

*Minutes **were approved** by the Chair and a vote of the Water Commission on **06/18/26**.*