



WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

Kendall Minor, Utilities Executive Director
Jason Graham, Utilities Water Director
Eric Potyondy, Legal

SUBJECT FOR DISCUSSION

Fort Collins Water Storage Overview.

EXECUTIVE SUMMARY

The purpose of this work session is to discuss the water supply and storage challenges faced by the Fort Collins community and to seek direction on future engagement with Northern Water regarding the Northern Integrated Supply Project (NISP). Fort Collins is served by multiple water service providers and the challenges of significant growth and climate change will impact the entire community. Fort Collins Utilities is focused on the Halligan Water Supply Project, which will only serve the Utilities' service area. Other water service providers in the community are relying on different efforts, such as NISP, to ensure adequate supply for their customers, which includes about 24,000 Fort Collins residents.

The discussion will provide an overview of the Fort Collins Utilities' water system; water supply challenges including drought, growth, and the Colorado River Compact; current water storage projects; and the City's role as a regional partner with other water service providers in Northern Colorado.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do Councilmembers have any questions or comments on the City's water storage situation?
2. Do Councilmembers agree with staff further engaging with Northern Water on NISP and its mitigation projects to continue alignment on City environmental and river goals?
3. Do Councilmembers agree with City staff negotiating with Northern Water on a potential collaborative agreement related to NISP, the City's water storage issues, and the City's environmental and river goals?

BACKGROUND / DISCUSSION

Fort Collins Utilities is committed to providing safe and reliable drinking water. We are one of many water providers in Fort Collins. Our service area covers about thirty-five square miles and serves more than 35,000 customers. Other providers serving the Fort Collins community include the East Larimer County Water District (ELCO), Fort Collins-Loveland Water District, and West Fort Collins Water District. Northern Colorado water systems will be challenged by significant growth and climate change. Future challenges

should be addressed through partnership and collaboration to ensure the water needs of Northern Colorado are met.

There are two main water supplies for Northern Colorado. The first is the Colorado-Big Thompson (C-BT) system, which brings Colorado River water from the Western Slope to the Front Range. The other supply is the Cache la Poudre River (CLPR) which is primarily comprised of annual snowmelt from April to July. Fort Collins Utilities receives a small amount of water from the Michigan Ditch which is stored in Joe Wright Reservoir. Joe Wright Reservoir is the only water storage facility owned and operated by Fort Collins Utilities. Northern Water owns and operates Horsetooth Reservoir, which stores C-BT water for Utilities and others. The City's water supply is comprised of roughly 50% C-BT water and 50% CLPR water.

The C-BT system is a product of the Colorado River. The Colorado River system is experiencing a 20+ year megadrought that is challenging the upper and lower states of the Colorado River Compact. With potentially less Colorado River Basin water available overall, communities that rely on C-BT water as their primary water supply should diversify their portfolio to maintain resiliency.

Our commitment to provide safe, reliable, cost-effective water is aligned with many City strategic objectives, including Economic Health, Environmental Health, and Safe Community. Utilities also has the desire to collaborate with our regional partners. Partnership amongst Northern Colorado water providers is well-established in the areas of water supply and water rights management, emergency response, water conservation, and community planning and development.

The Halligan Water Supply Project will enlarge Halligan Reservoir by approximately 8,200 acre-feet to provide water storage to serve Utilities water customers. This project is currently estimated to cost approximately \$308 million, which equates to \$38,000 per acre-foot of water storage. The Halligan Project remains the most cost-effective option for the City. The most significant benefit is the ability to store more CLPR water to increase our water supply resiliency and utilize more of the City owned water rights which helps ensure customers have access to water despite future Colorado River challenges. Expanding Halligan Reservoir also provides the opportunity to improve environmental conditions on the North Fork of CLPR.

Expanding Halligan Reservoir will result in 14,500 acre-feet of water. Horsetooth Reservoir holds 157,000 acre-feet. NISP includes building Glade Reservoir, which will hold approximately 170,000 acre-feet of water. NISP provides water storage off the CLPR system to 15 participants, including Fort Collins-Loveland and the Town of Windsor. NISP will provide greater water security for participants by adding more storage for CLPR water rights, thus reducing their reliance on the C-BT system. As an example, Fort Collins-Loveland Water District (serves ~24,000 City residents) currently relies on the C-BT system for about 90% of its water supply.

Staff have engaged with Northern Water to develop a sustainable and long-term approach that avoids, manages, and mitigates NISP's impacts. Previous Councilmembers have opposed NISP based on negative impacts to the CLPR and City Natural Areas. However, staff have stayed engaged with Northern Water in a collaborative way to achieve the best outcomes possible. NISP has now received the U.S. Army Corps of Engineers Clean Water Act Section 404 Record of Decision which reflects the lead federal agency's approval of the project. NISP has also received Larimer County's 1041 Land Use permit. With these major milestones met, NISP is on its way to construction and operation.

Staff remain in communication with Northern Water and continue to pursue opportunities that avoid, manage, and mitigate potential NISP impacts to the Fort Collins community. However, these conversations have shifted with the permit approvals NISP has received and thus staff are requesting direction on the level of expected engagement going forward.

Option 1: Do Councilmembers agree with City staff further engaging with Northern Water on NISP and its mitigation projects to continue alignment with City environmental and river goals?

- Northern Water continues to work through the required components of NISP. The City has been invited to participate on such efforts as the Adaptive Management Plan and Stream Channel and Habitat Improvement Plan.
- Northern Water will proceed with these required components with other regional stakeholders whether the City is part of the effort or not.

Option 2: Do Councilmembers agree with City staff negotiating with Northern Water on potential collaborative agreements related to NISP, the City's water storage issues, and the City's environmental and river goals?

- Option 2 includes the identified items in Option 1 and also provides staff with an opportunity to further negotiate on behalf of the City in areas that may increase water storage options, reduce impacts to Natural Areas, and improve the CLPR watershed and flows.
 - An item that may be worth further discussion is the possibility for the City to have the ability to store water in Glade when storage space is available.
 - Another item that may be worth further discussion is possible decisions related to existing infrastructure along the CLPR that may reduce impacts to Natural Areas.

NEXT STEPS

Not applicable.

ATTACHMENTS

1. Water Storage Presentation