



AGENDA ITEM SUMMARY

City Council

STAFF

Katie Collins, Water Conservation Specialist
Kerri Ishmael, Senior Analyst, Grant Administration

SUBJECT

First Reading of Ordinance No. 034, 2024, Authorizing Transfers of Appropriations for the Xeriscape Incentive Program.

EXECUTIVE SUMMARY

The purpose of this item is to support businesses, homeowner associations (“HOAs”) and other commercial properties pursuing costly landscape projects that reduce water use long-term through the Xeriscape Incentive Program by utilizing \$75,104 in existing 2024 appropriations to fund the City’s match requirement under this grant project.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Xeriscape Incentive Program (“XIP”) supports Fort Collins Utilities (“Utilities”) water customers by providing funding for landscape retrofit projects that reduce outdoor water use long-term. The typical existing commercial landscape in Fort Collins is made up mostly of bluegrass, which, on average, requires 15-18 gallons of supplemental irrigation water per square foot of area, per growing season. Reducing the total amount of bluegrass on a property along with reconfiguring irrigation systems may cut a property’s landscape water requirement by 30% or more, but retrofit projects are costly. XIP is one tool to help reduce barriers to landscape conversions, providing rebates of \$1.50 per square foot of area converted from high- to low- water landscape. More information about the XIP can be found at fcgov.com/xip.

Reducing outdoor water use is one of several effective water demand management tools. Since 2020, when Utilities started offering XIP funding for commercial water customers, XIP has funded 27 projects across HOAs, businesses and county properties. In total, 19 acres of bluegrass have been replaced with low-water landscape. The water savings for the 27 completed projects is estimated at 18 acre-feet per year compared to pre-project water use.

In support of XIP, the Bureau of Reclamation (“BOR”) awarded the City \$75,000 for XIP projects. The City committed \$95,000 to support a total of \$170,000 in rebates under this grant project.

The grant project has been operating, with the City needing to contribute \$75,104 to allowable rebates under the grant project. Based on changes made to provide more transparency over grant projects,

including tracking of City's required matching funds, the \$75,104 in 2024 appropriated funds in the Water Fund will be transferred to the grant project.

The City's matching funds of \$75,104 were appropriated in the 2024 operating budget for Water Conservation.

CITY FINANCIAL IMPACTS

This item authorizes transfer of \$75,104 in required matching funds for the grant project that have already been appropriated in the Water Fund, specifically in the 2024 operating budget for Water Conservation.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Executed Grant Agreements