September 2, 2025

AGENDA ITEM SUMMARY
City Council

STAFF

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SUBJECT

Resolution 2025-080 Adopting the 2025 Fort Collins Utilities Water Efficiency Plan.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2025 Fort Collins Utilities Water Efficiency Plan.

The 2025 Fort Collins Utilities Water Efficiency Plan (WEP) sets water efficiency goals and identifies strategies (such as voluntary incentives, policy, infrastructure tools, and education) to meet the goals, with a focus on treated water use within the Fort Collins Utilities (Utilities) water service area. The WEP update followed State guidelines and involved extensive public and staff engagement, quantitative analyses, and an equity evaluation.

The State of Colorado requires that retail water providers have a State-approved water efficiency plan that is updated periodically. Following Council adoption, staff will submit the 2025 WEP to the Colorado Water Conservation Board for final approval.

STAFF RECOMMENDATION

Staff recommend adoption of the Resolution.

BACKGROUND / DISCUSSION

The WEP outlines the Utilities approach to manage water use and efficiency amid increasing supply and demand pressures, including climate impacts and population growth. The 2025 WEP will replace the current WEP, which was completed in 2015.

GOALS AND STRATEGIES

The updated WEP sets two goals intended to lower water use to minimize the frequency and magnitude of future water shortages, build long-term landscape resilience, and encourage the City to continue leading by example. These goals reflect community feedback, staff input, and a commitment to act now to prepare for a hotter and more variable climate.

Goal 1: Reach 4% Annual Reduction in Water Use by 2040

This goal applies to all customer sectors, including homes, businesses, and City operations, and aims to reduce the risk of water shortages.

- Target 1.1: By 2040, lower overall annual treated water use by 320 million gallons (MG), or 980 acre-feet (AF), below projected water use
- Target 1.2: Double the volume of savings from efficiency strategies by 2040, relative to 2020-2024 average performance
- Target 1.3: Lower treated water use at City properties by a total cumulative volume of 5 MG (15 AF) by 2040

Goal 2: Improve Efficiency and Resilience on Public Landscapes

- Target 2.1: The City will complete at least seven new projects on City landscapes by 2040. These projects aim to improve drought resilience, reduce raw or treated water use, and reinforce the City's role as a leader in water efficiency.

Utilities will advance water efficiency efforts through over 70 existing or new strategies based on the following core approaches:

- **Behavioral strategies** that include actions like outreach, education, water use benchmarking, and technical assistance for water-efficient practices.
- **Regulatory strategies** that build on existing requirements for landscapes, buildings, and development standards.
- **Infrastructure opportunities** that include maximizing the benefits of existing advanced metering technology to offer customer data access, leak detection and notifications, and reducing water loss through distribution system maintenance.
- **Economic strategies** that include rebates, financial assistance, and pricing structures that incentivize efficiency.

Efficiency strategy selection was based on estimated water savings, cost, customer reach, co-benefits including equitable and environmental outcomes, feasibility, and community acceptance. Staff intend to gradually implement new strategies over the next several years to align with staff capacity and allow time for planning. Some strategies may also require Council review and approval (e.g., policy changes) or funding acquisition prior to implementation.

IMPACT OF EFFICIENCY AND CONNECTION TO OVERALL WATER PLANNING

Utilities estimates that full implementation of the programs, projects, and policies outlined in this WEP will meet the 320 MG savings target (Target 1.1) by lowering treated water demand by up to 314 MG per year by 2040 through programs and projects, while regulatory changes could lower annual demands by an additional 46 MG per year. Other factors such as rate or fee changes could further impact demand. By supporting efficient water use across residential, commercial, and municipal sectors, the WEP helps build long-term water resilience for the Utilities system and the customers it serves.

Achieving WEP goals should benefit our community by:

- Minimizing the frequency and magnitude of water shortages
- Offsetting a portion of higher demand driven by increasing temperatures from climate change[1]

[1] Staff analyses indicated that achieving the 320 MG savings identified in Target 1.1 could offset higher water use driven by an average increase in monthly maximum temperature of approximately 2°F by 2040, which is a plausible future scenario for Fort Collins based on climate models.

- Reducing barriers, expanding access to efficiency opportunities
- Building resiliency in City-owned landscapes to prepare for a hotter future
- Prioritizing water use for landscape elements that most benefit the community and environment
- Creating highly visible projects that inspire water-saving actions by people and businesses

The WEP embodies the City's One Water commitment—managing water holistically to promote healthy watersheds, resilient communities, and water equity. The WEP update aligns with City and State policies and plans including 2024-2026 Council Priority 7, the Water Supply and Demand Management Policy, and the Colorado Water Plan, as well as:

- **City of Fort Collins' Strategic Objective ENV 2**: Sustain the health of the Cache la Poudre River and regional watersheds while delivering a resilient, economically responsible and high-quality water supply for all Fort Collins residents.
- **Our Climate Future: BIG MOVE 3 Climate Resilient Community:** People, buildings, watersheds and ecosystems are prepared for the threats of climate change.

Alignment with Other Water Providers

Certain areas within city limits are served by neighboring water providers (Attachment 1). The largest adjacent water providers, East Larimer County Water District and Fort Collins-Loveland Water District, each have their own water efficiency plans[2] that describe goals and strategies for their service areas. Staff met with both organizations to discuss the WEP update and to share information and seek opportunities for alignment and collaboration. We value these partnerships and continue to look for ways to collaborate through information-sharing, planning, messaging, and efficiency strategies.

Historic and Projected Water Demand

The WEP applies mainly to treated water use in Utilities water service area (Attachment 1), which encompasses about 60% of the city geographic area and about 80% of the population. The factors below highlight key historic trends.

- Utilities currently provides over 5.7 billion gallons of treated water[3] each year to approximately 33,000 residential and 3,500 commercial customer accounts. The 2024 estimated residential population served was 139,300.
- Residential customers use about 64% of the treated water delivered each year and commercial customers use about 34%, on average. Nearly 2% is used at City-owned properties, supporting recreation, landscapes, and facilities.
- Indoor water use accounts for about 55% of total treated water used each year, while outdoor and seasonal uses are about 45% of the annual total on average.
- Per-person use averages 135 gallons per capita per day (GPCD). Since 2000, the population has grown by 28% while overall water demand has decreased by 42% per capita, although that rate of decrease has slowed in recent years.

[2] The East Larimer County Water District WEP was updated in 2024 and is available online here: *elcowater.org/water-efficiency-plan*. The Fort Collins-Loveland Water District WEP was updated in 2023 and is available online here: *fclwd.com/wp-content/uploads/2025/03/2023-FCLWD-Water-Efficiency-Plan-Update-Final-6-4-2024.pdf*

[3] Utilities provides additional water to meet obligations including large industrial and wholesale customers. Demands presented in this AIS include distribution system losses and exclude wholesale and unique large contractual deliveries, which are not a primary focus of conservation activities. Similarly, in general raw (untreated) water use is managed through agreements separate from Utilities and is not subject to Utilities' jurisdiction, so it is not a focus of the WEP.

- Total estimated non-revenue losses from treatment and distribution (including physical leaks and apparent losses like unbilled uses or data inaccuracies) were 312 MG per year on average from 2019-2024. The average loss per connection for Utilities is similar to other utilities in Colorado.
- Current water efficiency programs have lowered overall annual water demand by 155 MG (about 2.3%) on average from 2020-2024. The 2024 Water Conservation Annual Report (Attachment 2) summarizes recent treated water demands and current efficiency program savings.
    - A portion of estimated annual savings will persist, such as savings from efficient toilet and landscape installations.
    - Other factors – such as efficiency strategies like education campaigns and external influences like weather – also affect demand, but their impacts are difficult to quantify. As a result, they are not included in annual water savings totals.

Overall water demand is expected to increase due to rising temperatures and residential and commercial growth (Figure 1). Although future demand cannot be predicted with certainty, implementing active water efficiency strategies can lower future demand.

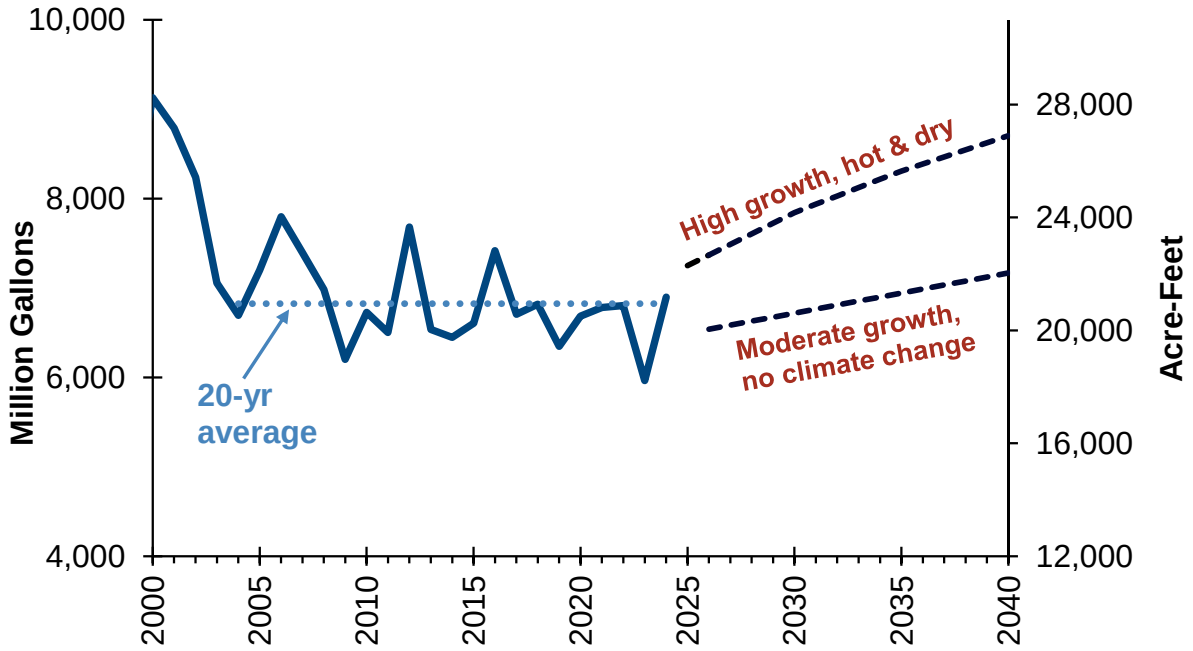

Figure 1. Historical and range of projected treated water use under possible future climate and growth scenarios. *(Includes customer demands and non-revenue losses and excludes wholesale and contractual obligations.)*

CITY FINANCIAL IMPACTS

Water efficiency is a cost-effective tool for maximizing the benefits of existing water supplies. While the adoption of the WEP does not require additional budget appropriation, achieving its goals is expected to require future investments. Any such requests would go through the standard budget approval process. Financial considerations include the following:

- Staffing: Estimated need for 1 additional full-time employee by 2027
- Program implementation: Funding materials, incentives, and staff will primarily come from reallocating existing Water Conservation Department budget appropriation.
- City-owned efficiency projects: Departmental funding to support City water use and landscape resilience projects, supplemented by funded budget for incentives from the Water Conservation Department, and alignment with initiatives such as the 2050 tax or and Nature in the City.

- Other funding sources: Staff will continue to seek external funding, such as the recently received $13,000 Sonoran Institute award for technical assistance related to WEP strategy implementation.
- Revenue variability: Water efficiency is one of many factors influencing demand. For example, since 2015, annual billed water demand has varied by -12% to +10% from the 10-year average. The Goal 1 targeted reduction of 4% falls within the range of historical variability.
- Cost savings from conservation: The City's investment in water efficiency helps manage Utilities' costs, support long-term adaptation to climate change, and avoids future costs of inaction.
    - Reduced or delayed water supply acquisition: In 2024, staff estimated that acquiring new water rights cost about $0.20 per gallon, compared to less than $0.01 per gallon saved through Water Conservation programs.
    - Deferred capital investments: Water efficiency and decreasing per-person water use trends were considered during federal permitting that reduced the Halligan Water Supply Project size.
    - Avoiding climate-related costs: Although these costs are hard to predict, one example is the potential damage to Fort Collins' public trees if water shortages were more frequent. The City's trees have an estimated total replacement value of $112 million and provide numerous benefits.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Staff visited the following boards and commissions to seek feedback on the draft WEP. Meeting minutes and recommendations are provided in Attachments 3-6. Attachment 7 summarizes changes incorporated into the WEP as a result of feedback received on the public comment draft.

- Planning and Zoning Commission – May 15, 2025
- Natural Resources Advisory Board – May 21, 2025
- Parks and Recreation Advisory Board – June 25, 2025
- Water Commission – July 17, 2025

During the WEP development process, staff sought feedback from Council at work sessions on February 14, 2024 and February 25, 2025.

PUBLIC OUTREACH

Feedback from community members was critical to the development of water efficiency goals, selection of efficiency strategies, and consideration of equity in the selection process. From 2023 through June 2024, engagement captured over 5,000 touchpoints via:

- Survey (1,319 community responses)
- Our City web page
- Advertisements
- In-person meetings hosted by community consultants
- Focus groups and meetings with targeted water users including City departments, HOAs, and small businesses
- Meetings with community members who identify with one or more disproportionately impacted groups, including mobile home park residents, non-English speakers, renters, and students
- Consultant-led one-on-one interviews
- Input from the City's Climate Equity Committee

Staff sought to make it easier for people to participate through collaborating with community consultants, providing Spanish translations, hard copies of the survey, tabling in public spaces, hosting meetings outside typical working hours, and providing food, childcare, and conservation giveaways at meetings.

Public Comment Period

Public comments on the draft WEP were received from April 23 to June 23, 2025. During this time, the draft WEP was posted online, and community members could submit comments there or through direct email to staff. Staff promoted the public comment period through a Utilities bill insert, social media, emails, newsletters, websites, and public events.

Staff received eight online forms and one direct email during the public comment period. Of these responses, most indicated that the WEP goals and strategies were understandable and appropriate for our community. Although respondents indicated that strategies targeted the right water uses, responses specified they might not do enough to support customers. Write-in comments generally aligned with the feedback received during WEP development.

The Memorandum from Staff to Water Commission attachment summarizes changes incorporated into the WEP as a result of feedback received on the public comment draft.

ATTACHMENTS

1. Utilities Water Service Area Map
2. 2024 Water Conservation Annual Report
3. Memorandum from Natural Resources Advisory Board
4. Letter from Parks and Recreation Advisory Board
5. Planning and Zoning Commission Minutes, May 15, 2025
6. Water Commission Minutes, July 17, 2025 (draft)
7. Memorandum from Staff to Water Commission
8. Resolution 2025-080