

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Tyler Marr, Deputy City Manager
Darren Parkin, Halligan Water Supply Project Manager

SUBJECT FOR DISCUSSION

Halligan Water Supply Project Overview and Update.

EXECUTIVE SUMMARY

The purpose of this item is to provide a general update on the Halligan Water Supply Project. Topics that will be covered include:

- General Overview
- Purpose and Need
- Current Total Cost Estimate
- Storage and Conservation
- Project Timeline
- Larimer County 1041 Permit

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have about the Halligan Water Supply Project?
2. What questions do Councilmembers have on the Larimer County 1041 Permit process?

BACKGROUND / DISCUSSION

The City of Fort Collins, through Fort Collins Utilities, is pursuing the Halligan Water Supply Project (Halligan Project). The Halligan Project will store about 8,200 acre-feet (AF) of additional water to meet Utilities' customer water demands through 2065. It will also provide a storage reserve for emergency water supply and in turn, increase drought security and improve water system reliability and flexibility.

The Halligan Project includes enlarging Halligan Reservoir, which primarily entails replacing Halligan Dam, the diversion structure for the North Poudre Canal, and related infrastructure on the North Fork of the Cache la Poudre River.

The Halligan Project also includes numerous environmental mitigation and enhancement actions that will avoid or minimize impacts, compensate for unavoidable impacts, and enhance the environment, including restoring minimum flows to the North Fork, eliminating existing and historical dry-up reaches of the river.

The total estimated project budget is \$308.0 million, of which approximately \$240.0 million still needs to be identified. Staff are considering a variety of funding methods including grants and low-cost loans. The project will provide water at a cost of about \$39,000 per AF of firm yield (reliable water). This is less than equivalent costs for other regional projects and alternatives for Utilities.

Utilities has a comprehensive strategy to meet our current and future customers' needs. Water conservation is an important tool and Utilities has a robust program. However, as we have learned through detailed analyses, like the Water Supply Vulnerability Study, water conservation will simply not sufficiently stretch Utilities' water supplies enough for the projected growth within the Utilities service area through 2065. To meet the challenges of a warmer and more populous future, we need to pursue solutions that include storage and water conservation. Being able to store water in Halligan Reservoir will allow Utilities the flexibility to use water that has been conserved for when we need it most.

The Halligan Project permitting process began in 2006. Since then, Utilities has reached many milestones. Utilities is seeking its Clean Water Act Section 404 Permit from the United States Army Corps of Engineers (Corps). The Corps released the final Environmental Impact Statement (EIS) in October 2023. Also in 2023, Colorado Parks and Wildlife and the Colorado Water Conservation Board approved the project's Fish and Wildlife Mitigation and Enhancement Plan. Over the next few years, more critical work will take place including obtaining various other permits such as a Clean Water Act Section 401 Water Quality Certification from the Colorado Department of Public Health and Environment, a 1041 Permit from Larimer County, and a final Record of Decision from the Corps, expected in 2026. If all permits are obtained by 2026, construction could begin as soon as 2026-2027.

Information on the Halligan Project can be found at fcgov.com/Halligan.

NEXT STEPS

Utilities needs a Larimer County 1041 Permit. The application process includes county staff review, public hearings before the Larimer County Planning Commission followed by County Commissioners, and a final decision by the County Commissioners. Utilities submitted the application and hopes to receive approval by winter 2024-2025.

Colorado law authorizes counties and cities to identify, designate, and regulate areas and activities of State interest through a local 1041 permitting process to allow them to maintain control over certain development projects. Larimer County adopted robust 1041 regulations that have been in effect for many years. The Halligan Project requires a 1041 Permit from Larimer County because it includes the enlargement of a reservoir resulting in a surface area at high water line in excess of 50 acres. The permit process includes all aspects of the project, including building the new dam, a potential on-site quarry during construction, U.S. Highway 287 and access road improvements, necessary ancillary infrastructure, and environmental mitigation and enhancements.

ATTACHMENTS

1. Presentation