

## AGENDA ITEM SUMMARY

City Council



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### STAFF

Donnie Dustin, Senior Water Resources Engineer  
Jen Dial, Water Resources Manager  
Kerri Ishmael, Senior Analyst, Utility Financial Operations

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### SUBJECT

**First Reading of Ordinance No. 092, 2025, Appropriating Prior Year Reserves in the Water Fund to Support Acquisitions of Water Rights to Increase Yield, Reliability, and Resiliency of the Utilities Water Supplies.**

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### EXECUTIVE SUMMARY

The purpose of this item is to request additional appropriation of \$1,419,091 in the City's Water Fund to purchase water supplies that will increase the yield, reliability, and resiliency of the Fort Collins Utilities water supplies. This includes shares in the North Poudre Irrigation Company and the water rights in the Chase Ditch.

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### STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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### BACKGROUND / DISCUSSION

The City of Fort Collins Utilities ("Utilities") water service area demand is projected to grow by 37% over the next few decades. The cost for water supplies has increased significantly in recent years, with the cost projected to increase based on competition for their acquisition increasing and availability decreasing.

To plan for acquiring water rights and facilities to meet future water supply needs, the Utilities Water Resources Division has and will continue annual budget requests. Based on the current market value of a North Poudre Irrigation Company ("NPIC") share (~\$245k to \$250k) and a current opportunity to purchase up to 8 NPIC shares, the Water Resources Division needs an additional \$1,093,091 to acquire these shares. These shares come with units in the Colorado-Big Thompson Project (CBT) that can be stored in Horsetooth Reservoir and will increase the Utilities firm yield of water supply (amount of water expected to be received in a 1 in 50-year drought) by 12.6 acre-feet annually. An estimated 173 additional NPIC shares (in addition to the completion of the Halligan Water Supply Project) are needed to meet demands through 2065, so this acquisition would meet about 5% of that need for more NPIC shares.

In addition, the Water Resources Division has an opportunity to purchase the water right in the Chase Ditch, which diverts off the North Fork of the Poudre River below Halligan Reservoir. This water would remain in the river helping to meet permit mitigation requirements of the Halligan Water Supply Project. The cost of purchasing this water right is \$326,000.

## **CITY FINANCIAL IMPACTS**

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This Ordinance will appropriate \$1,419,091 for Water Fund non-lapsing expenses. Water Fund reserves are available for this appropriation and are projected to end 2025 above the City's fund reserve target.

## **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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None.

## **PUBLIC OUTREACH**

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None.

## **ATTACHMENTS**

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1. Ordinance No. 092, 2025