

Fort Collins City Council Work Session Agenda

6:00 p.m., Tuesday, July 9, 2024

Council Information Center (CIC), 300 Laporte Avenue, Fort Collins, CO 80521

NOTE: New location for Council work sessions.

NOTICE:

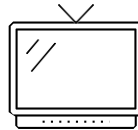
Work Sessions of the City Council are held on the 2nd and 4th Tuesdays of each month in the Council Information Center (CIC) of the 300 Building. Meetings are conducted in a hybrid format, however there is no public participation permitted in a work session.

City Council members may participate in this meeting via electronic means pursuant to their adopted policies and protocol.

How to view this Meeting:



Meetings are open to the public and can be attended in person by anyone.



Meetings are televised live on Channels 14 & 881 on cable television.



Meetings are livestreamed on the City's website, fcgov.com/fctv.

Upon request, the City of Fort Collins will provide language access services for individuals who have limited English proficiency, or auxiliary aids and services for individuals with disabilities, to access City services, programs and activities. Contact 970.221.6515 (V/TDD: Dial 711 for Relay Colorado) for assistance. Please provide 48 hours' advance notice when possible.

A solicitud, la Ciudad de Fort Collins proporcionará servicios de acceso a idiomas para personas que no dominan el idioma inglés, o ayudas y servicios auxiliares para personas con discapacidad, para que puedan acceder a los servicios, programas y actividades de la Ciudad. Para asistencia, llame al 970.221.6515 (V/TDD: Marque 711 para Relay Colorado). Por favor proporcione 48 horas de aviso previo cuando sea posible.



While work sessions do not include public comment, mail comments about any item on the agenda to cityleaders@fcgov.com





City Council Work Session Agenda

July 9, 2024 at 6:00 PM

Jeni Arndt, Mayor
Emily Francis, District 6, Mayor Pro Tem
Susan Gutowsky, District 1
Julie Pignataro, District 2
Tricia Canonico, District 3
Melanie Potyondy, District 4
Kelly Ohlson, District 5

Council Information Center (CIC)
300 Laporte Avenue, Fort Collins

Cablecast on FCTV
Channel 14 on Connexion
Channel 14 and 881 on Comcast

Carrie Daggett
City Attorney

Kelly DiMartino
City Manager

Heather Walls
Interim City Clerk

CITY COUNCIL WORK SESSION 6:00 PM

A) CALL MEETING TO ORDER

B) ITEMS FOR DISCUSSION

1. Halligan Water Supply Project Overview and Update.

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

2. Water Supply Requirements, Excess Water Use Surcharges, and Pre-1984 Non-Residential Allotments.

The purpose of this item is to provide an update to the proposed Fort Collins Utilities Water Supply Requirement (WSR) methodology that was presented at the April 9 Council work session, as well as adjusted impacts to both the WSR fee and the assignment of non-residential water allotments. Staff will also address some follow-up questions from the work session.

3. West Elizabeth Enhanced Travel Corridor Project Update.

The purpose of this item is to update Councilmembers on the progress of the West Elizabeth Enhanced Travel Corridor project, including the status of the Federal Transit Administration (FTA) Capital Investment Grant (CIG) Small Starts application.

C) ANNOUNCEMENTS

D) ADJOURNMENT

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July 9, 2024

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



Overview and Update

**HALLIGAN WATER
SUPPLY PROJECT**

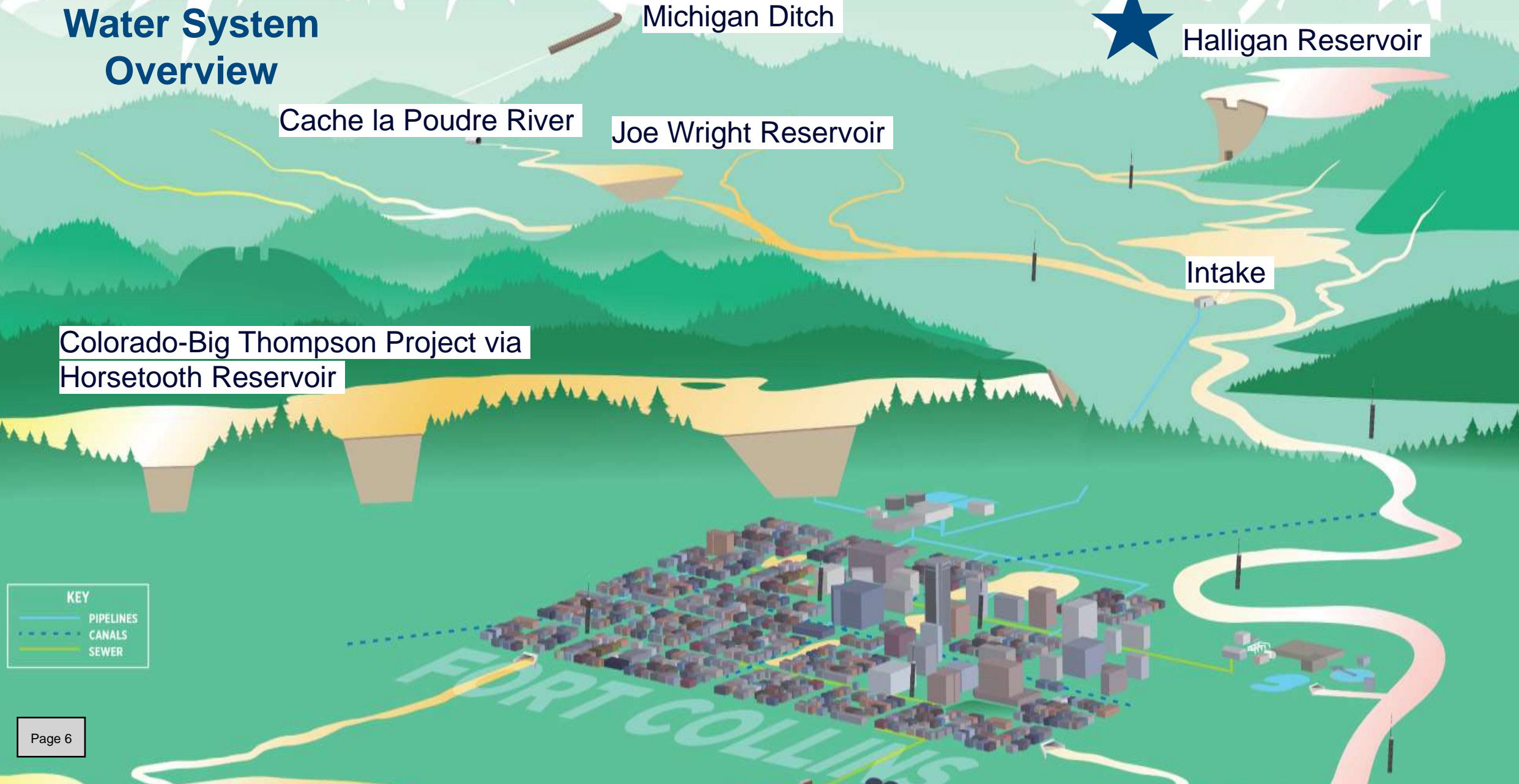
Tyler Marr

Deputy City Manager

Darren Parkin

Halligan Water Supply Project Manager

Item 1. **Collins Utilities' Water System Overview**



Colorado-Big Thompson Project via Horsetooth Reservoir

KEY

- PIPELINES
- CANALS
- SEWER



What?

- Enlarge existing reservoir by building a replacement dam.
- Stored water would serve Utilities' service area's residents and businesses.

Why?

- Provide water to current and future customers.
- Increase reliability and resiliency of our water supply, especially in times of prolonged drought and climate change uncertainties.
- Gain storage to capture the water rights we own.



Supply

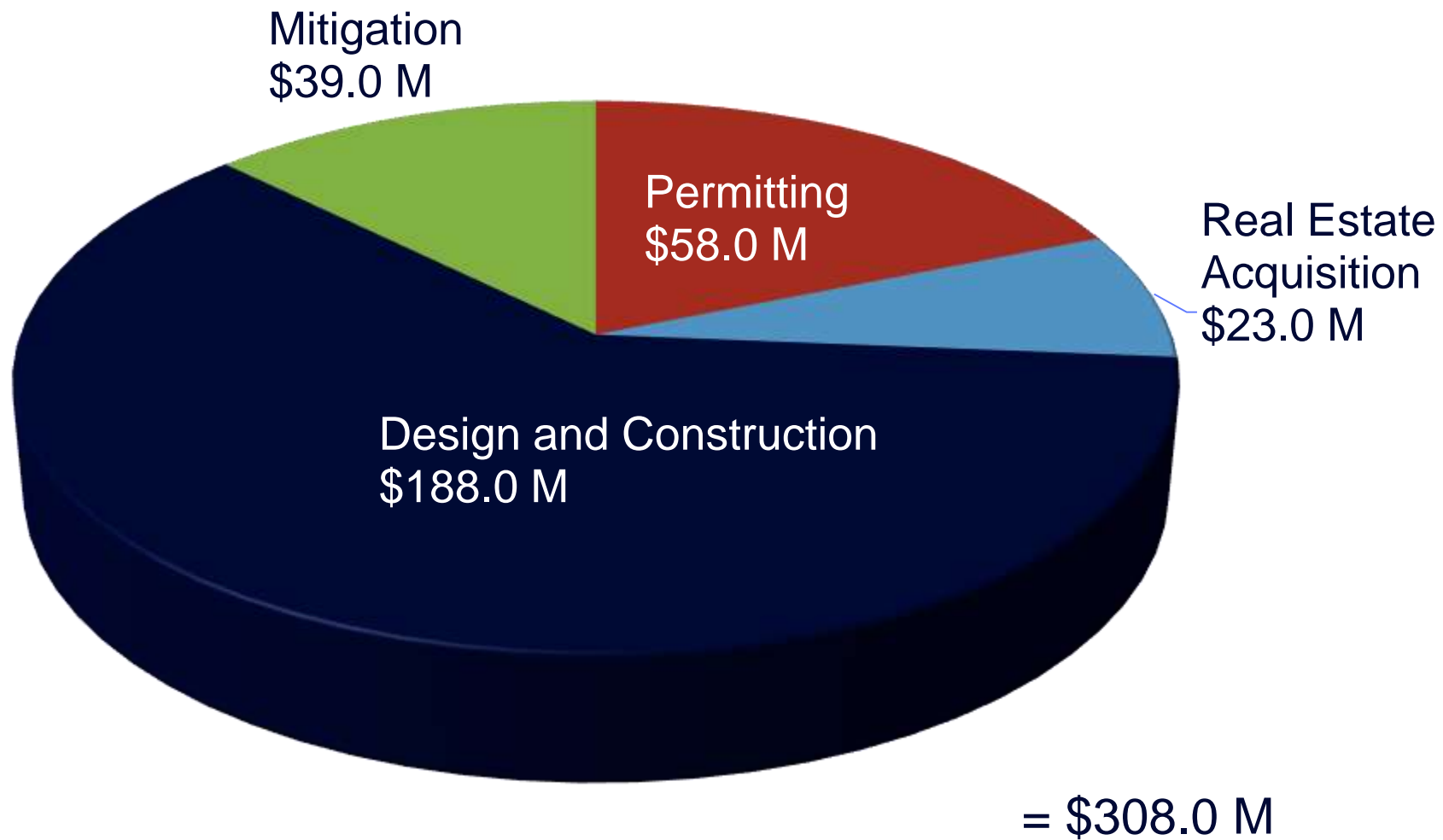
- Ensuring an adequate, safe and reliable supply of water for beneficial use.
- Water rights primarily from Horsetooth Reservoir (Colorado River) and Cache la Poudre River.
- **Water supply storage:** Horsetooth, Joe Wright and Halligan enlargement (proposed)
 - Benefits: saves water for when you need it
 - Limitations: inadequate storage currently.
 - Challenges: climate change, drought and scarcity, value/cost, adequate supply.



Demand

- Managing the level of demand and efficient use of a scarce and valuable resource.
- Predicting what customers will use.
- **Conservation and efficiency:** programs, City code
 - Benefits: use less water, lower water bills.
 - Limitations: conservation helps flatten the curve when demand is high but without a place to hold water, it won't be there when you need it.
 - Challenge: growing population.

Item 1. Current Total Cost Estimate



Item 1. Existing Versus New



Existing dam

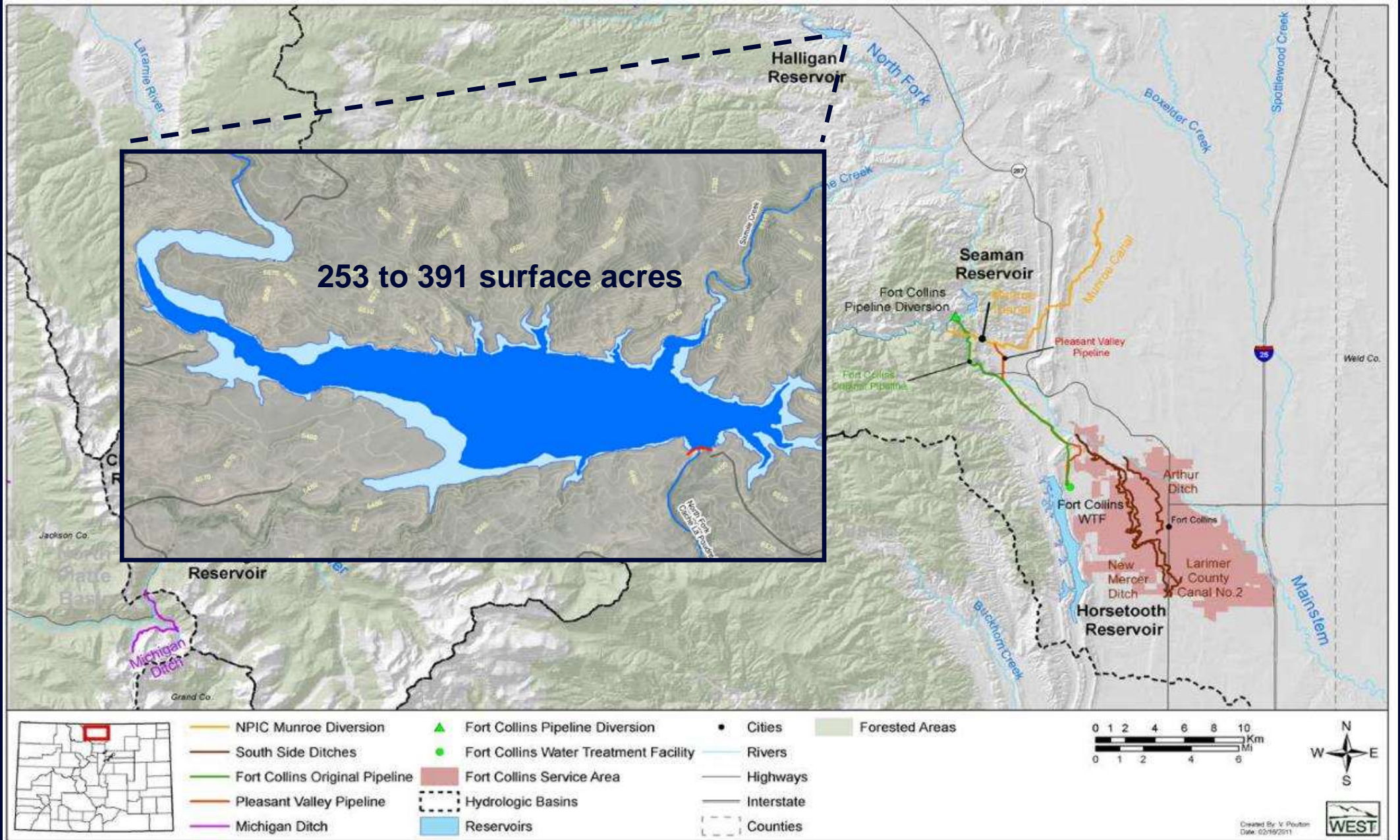
- 78' high, 350' length, 8-foot crest width
- Two 34" outlet pipes
- 12,000 cubic feet per second (CFS) spillway capacity
- Cyclopean masonry and slip form concrete

New dam

- 144.5' high, 1,000' length, 26-foot crest width
- One 42" outlet and one 24" outlet
- 104,000 CFS spillway capacity
- Roller Compacted Concrete (RCC) construction
- Water surface elevation only increases by 26 feet

Halligan Reservoir Enlargement

Item 1.



Project Timeline

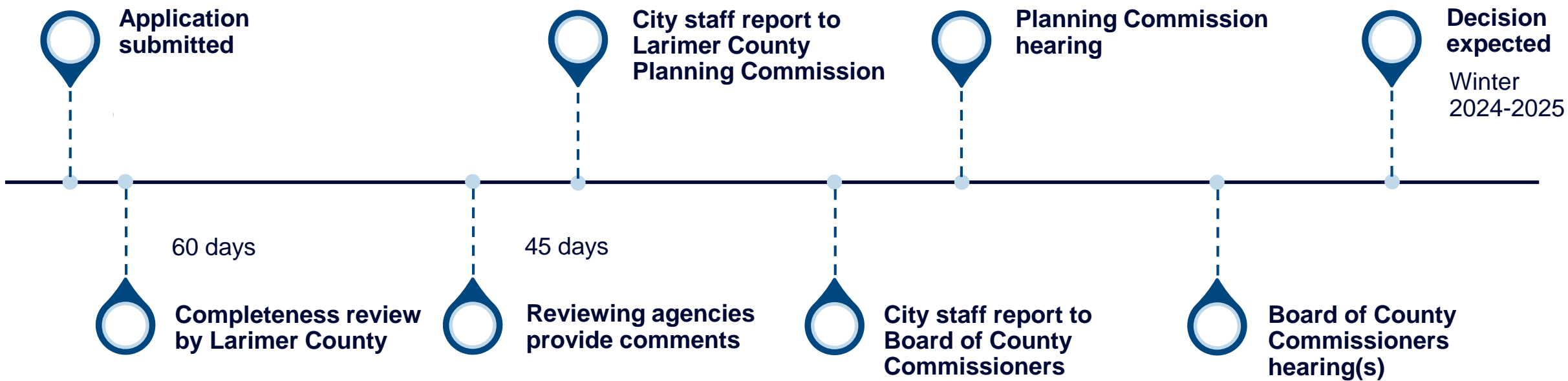


Item 1. **Primer County 1041 Permit**

- Colorado law authorizes local jurisdictions to identify, designate, and regulate areas and activities of State interest through this local permitting process.
- Public comment period.
- Application encompasses all aspects of the project.
- Halligan will not go through the City of Fort Collins' 1041 process.



Item 1. Larimer County 1041 Timeline





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

Item 1.

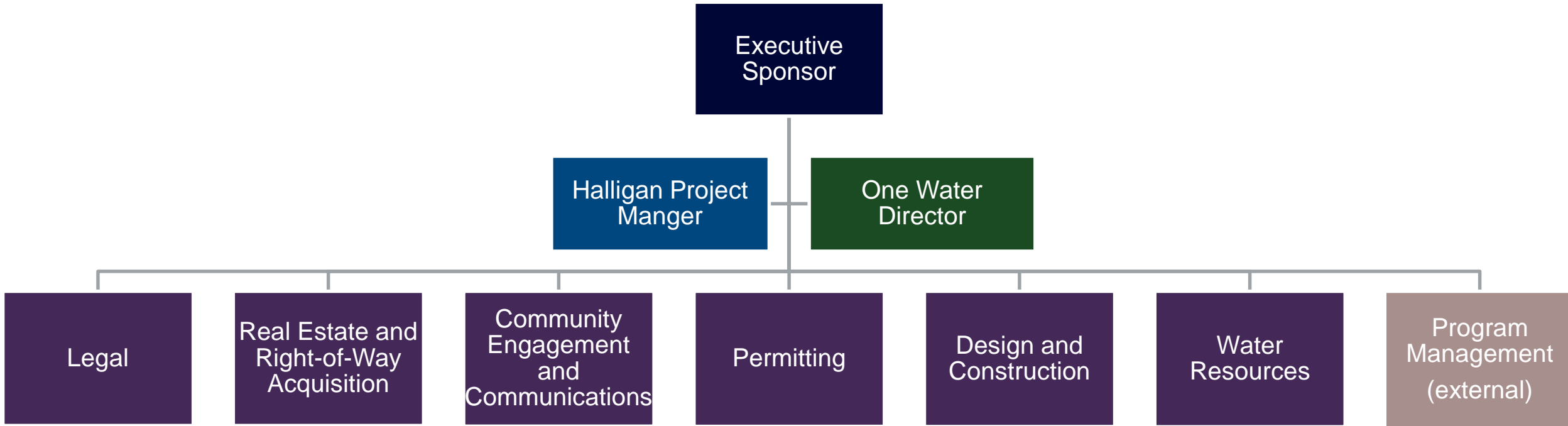


Questions?

fcgov.com/Halligan



Backup Slides





Design

- 60% design
 - CSU Hydraulics Lab
 - Operations
- Gateway fish passage
- Access roads
- North Fork crossing
- Canal diversion



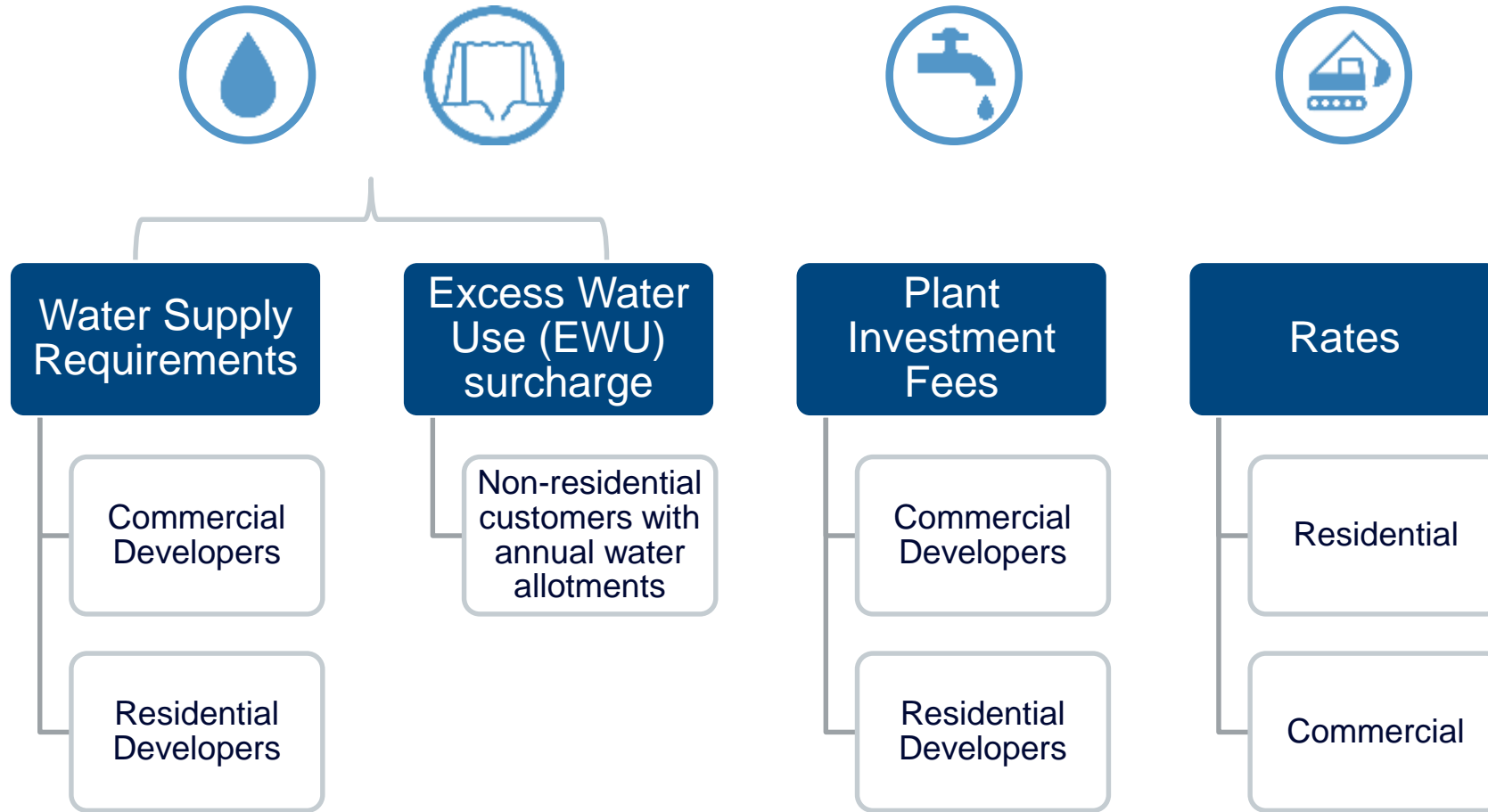
Planning

- Master schedule
- Budget and funding
- Construction delivery model
- North Poudre Irrigation Company Operational Agreements
- Access easements



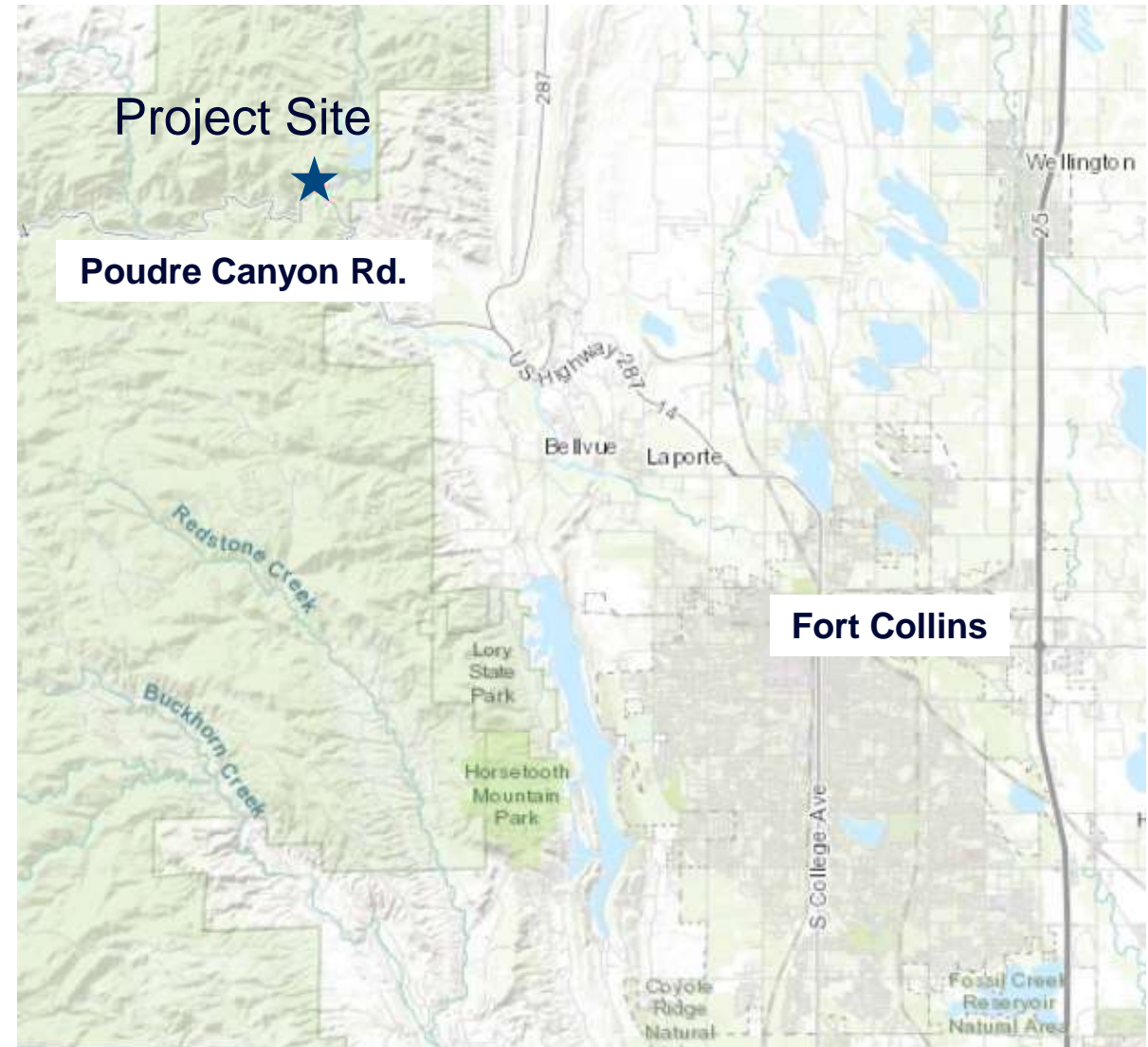
Permitting and Supplemental Activities

- Larimer County 1041
- 401 Water Quality Certification
- Cultural resources and Tribal consultation
- North Fork mitigation bank – stream and wetland credits
- Environmental mitigation



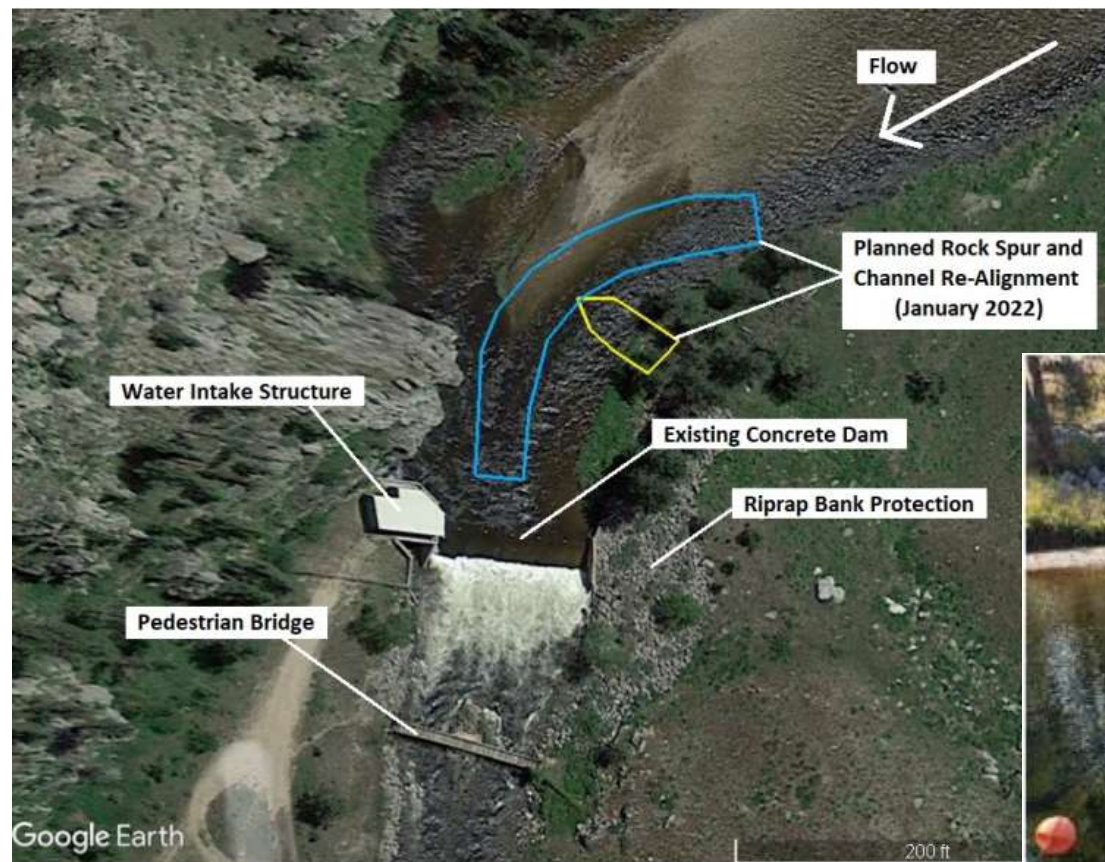
Fish Passage at the Fort Collins Intake at Gateway Park

- Increase connectivity for trout, other large-bodied fish on the Main Stem of the Cache la Poudre River.
 - Diversion structure currently acts as a barrier to fish movement, preventing migration.
- Compensate for impacts to the Main Stem fisheries associated with flow change from the Halligan Project.

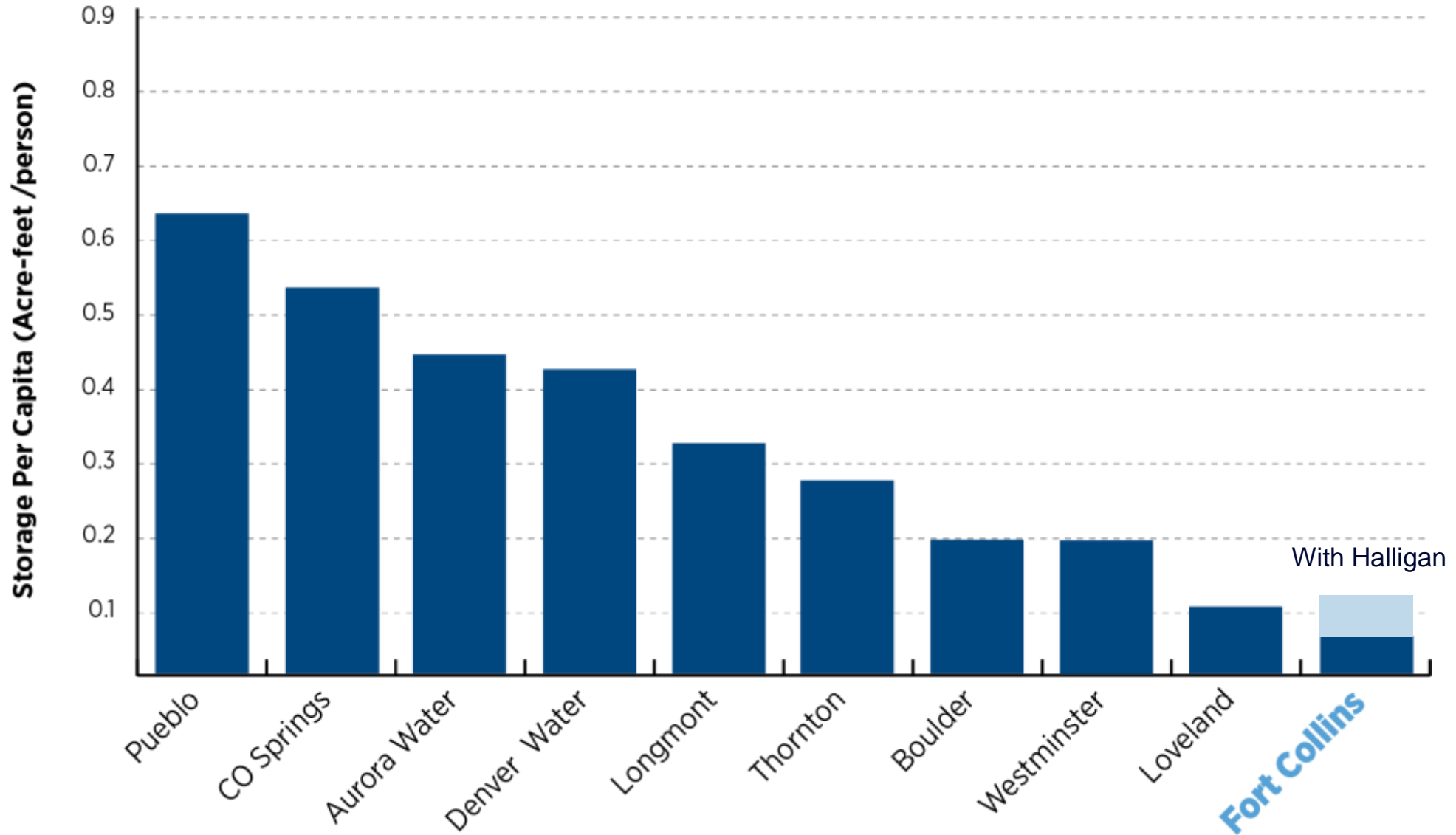


Item 1. Passage Design

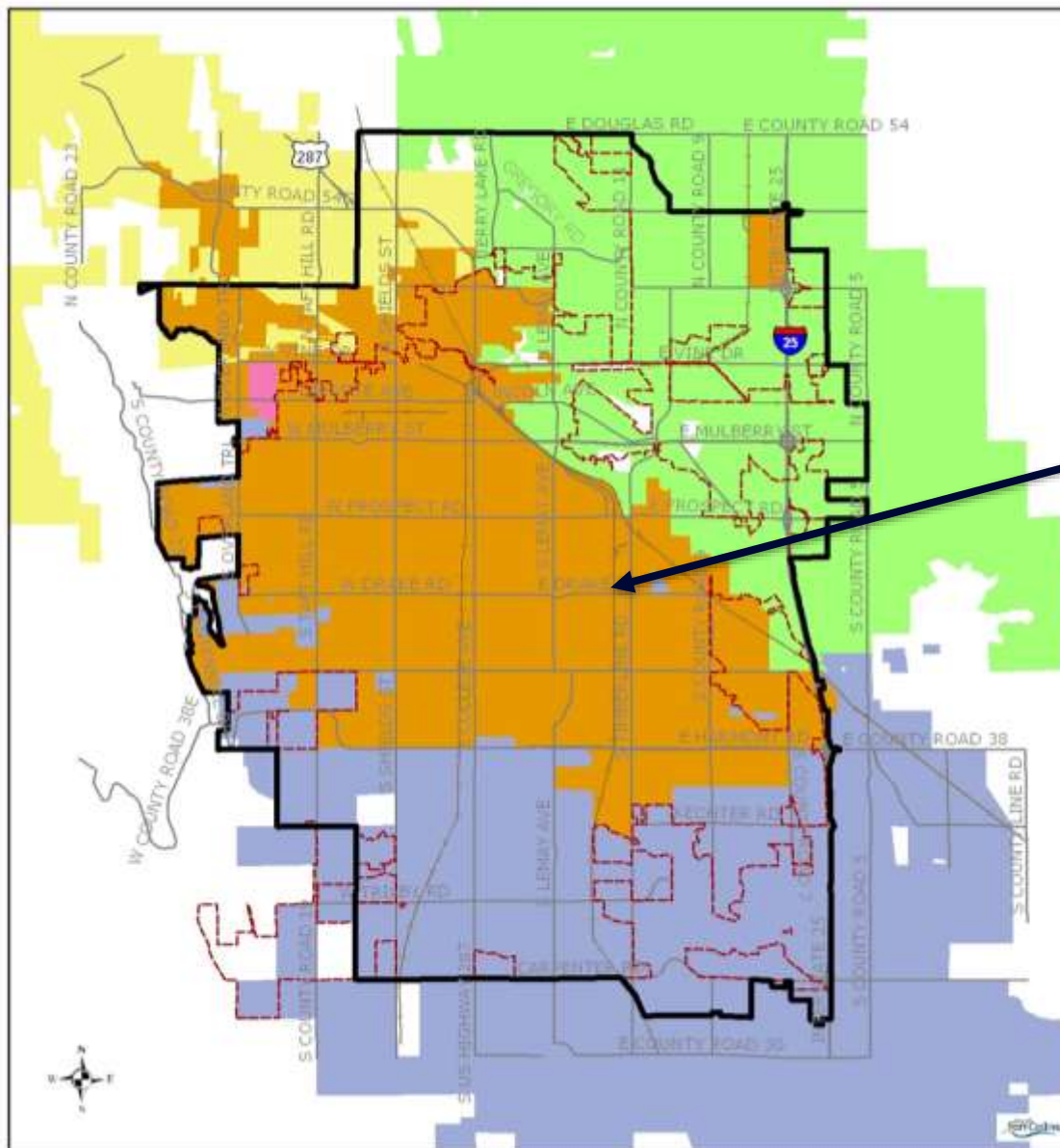
- Provide reliable upstream fish passage and additional connectivity upstream of the intake.
- The City will consult with Colorado Parks and Wildlife.



Item 1. Storage Available to Provider



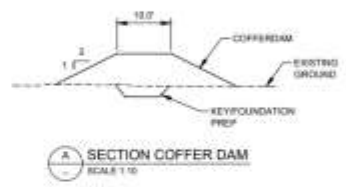
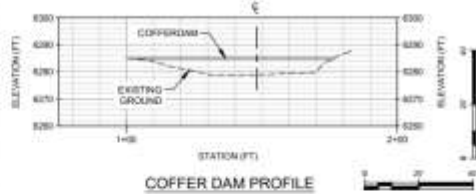
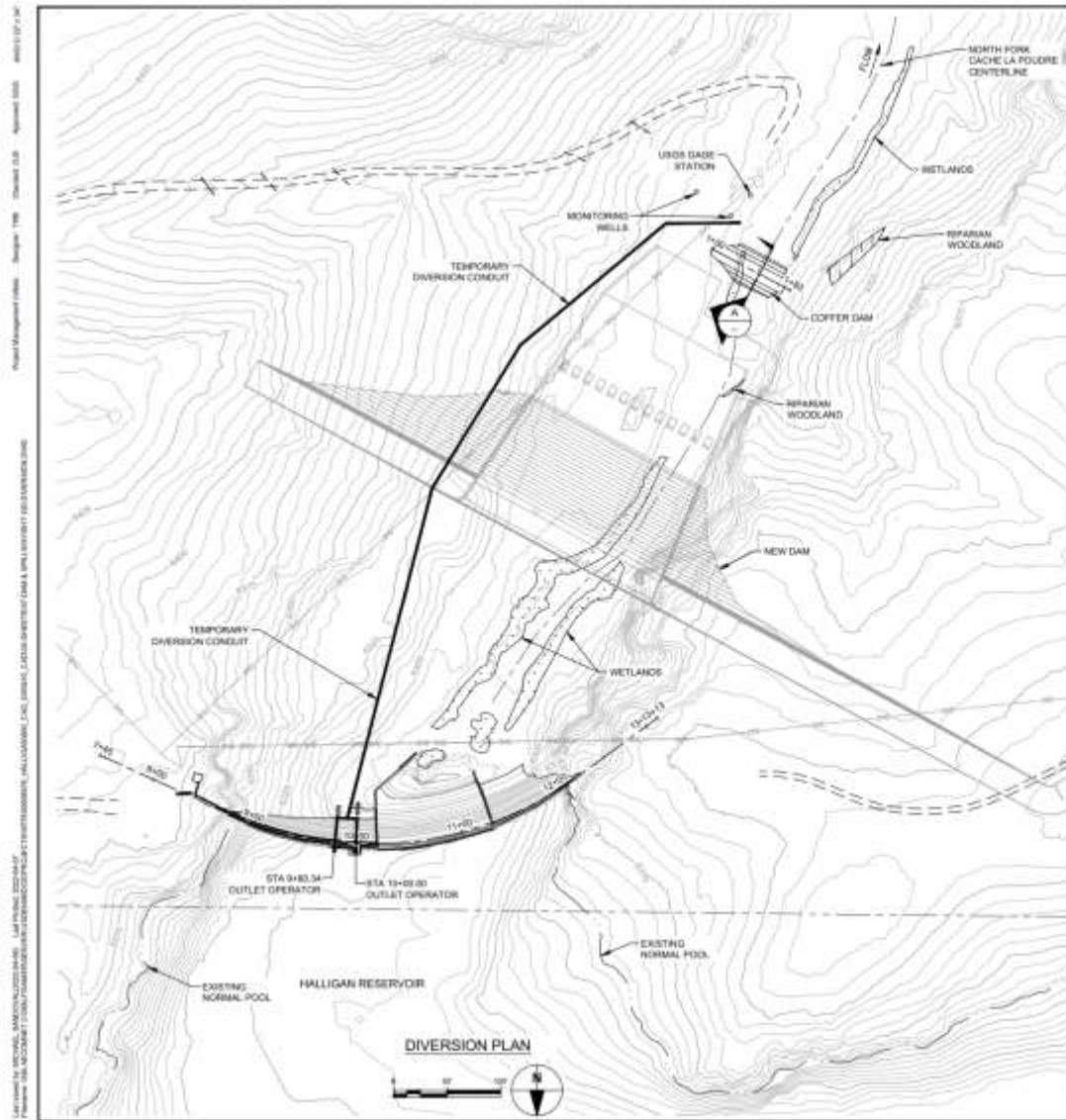
Fort Collins Area Water Districts Map



Utilities Water Service Area

- GMA
- Major Streets
- City Limits
- Railroad

- Water Districts**
- ELCO Water District
 - Fort Collins Loveland Water District
 - Fort Collins Utilities (Water)
 - Sunset Water District
 - West Fort Collins Water District



AECOM

PROJECT
Halligan Water Supply
Project
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PROFESSIONAL ENGINEER
NOT FOR CONSTRUCTION

ISSUE REVISION

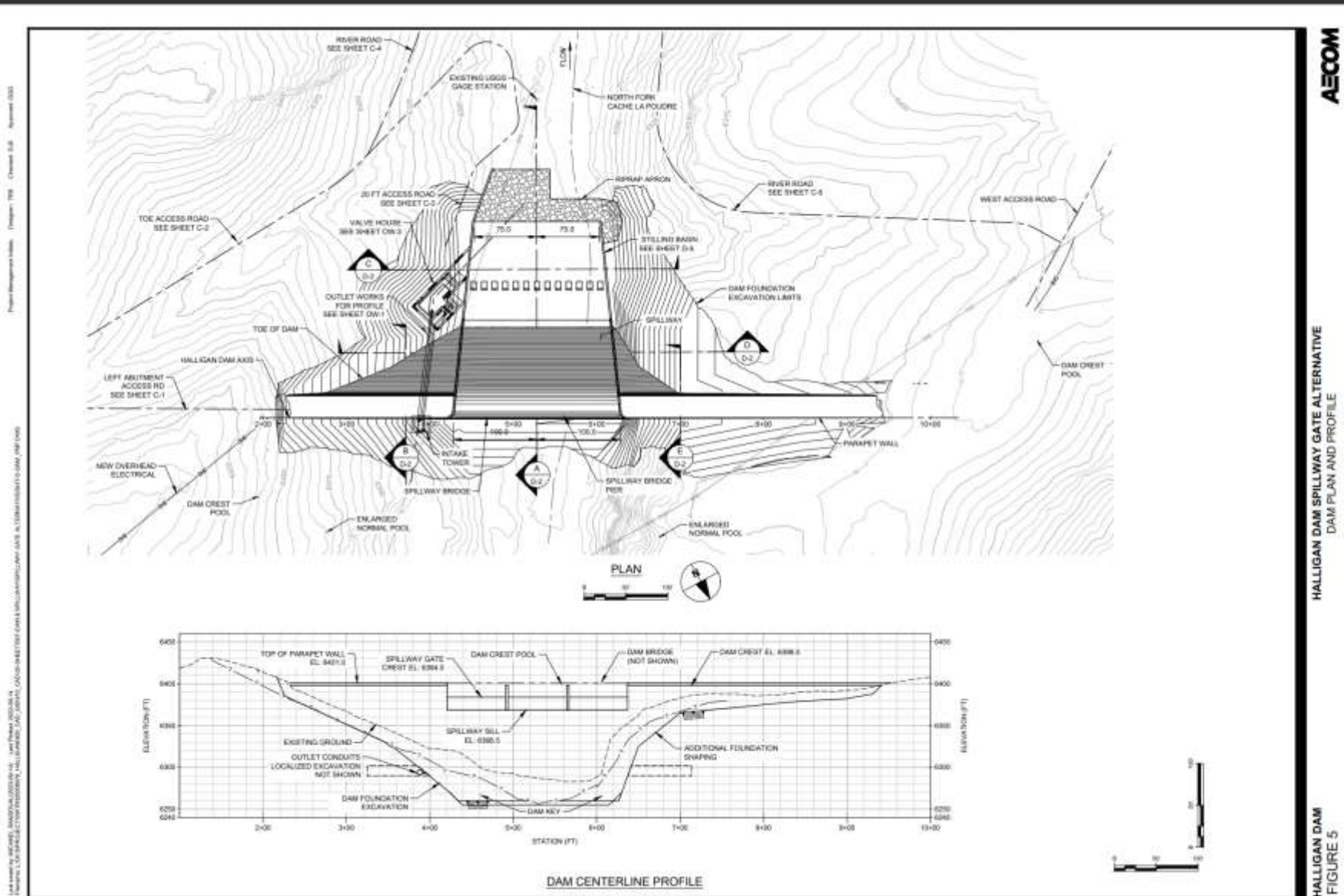
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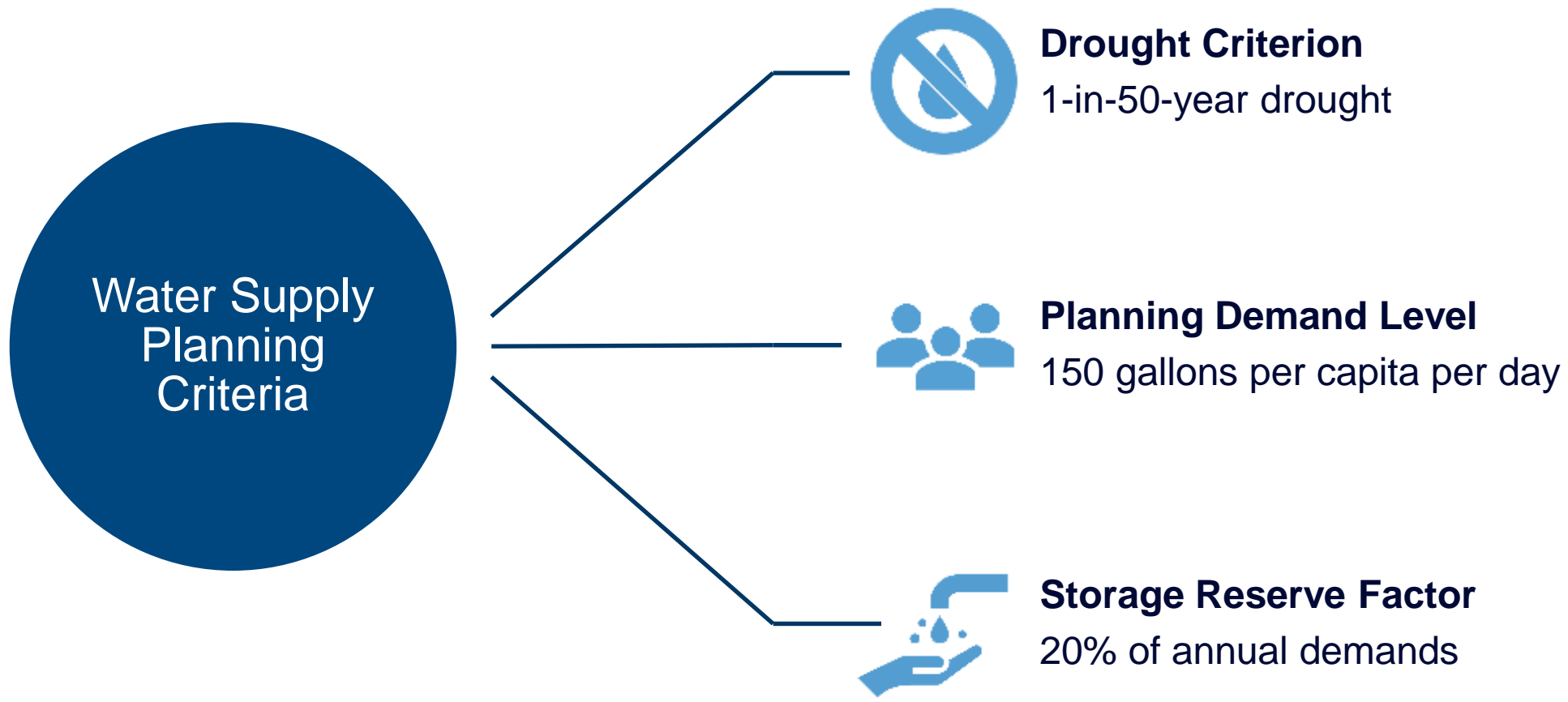
NO NUMBER
C-0020B

PROGRAM NUMBER
00000078
DRAWING TITLE
DIVERSION SITE PLAN

DRAWING NUMBER
00-5
SHEET NUMBER
13 OF 40

Item 1. % Design – Concrete Gravity Dam





July 9, 2024

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Jen Dial, Utilities Water Resources Manager
Heather Young, Utilities Senior Community Engagement Manager

SUBJECT FOR DISCUSSION

Water Supply Requirements, Excess Water Use Surcharges, and Pre-1984 Non-Residential Allotments.

EXECUTIVE SUMMARY

The purpose of this item is to provide an update to the proposed Fort Collins Utilities Water Supply Requirement (WSR) methodology that was presented at the April 9 Council work session, as well as adjusted impacts to both the WSR fee and the assignment of non-residential water allotments. Staff will also address some follow-up questions from the work session.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have on the updated proposed WSR fee and related impacts?
2. What questions do Councilmembers have on assigning water allotments to non-residential accounts without allotments under the hybrid method?

BACKGROUND / DISCUSSION

At the April 9 Council work session, staff presented options and a recommendation for the methodology for determining a WSR fee. Council expressed general support for the hybrid, cost-based methodology recommended by staff.

WSR Fee Update

A hybrid approach has been used to calculate WSR fees since 2018. The current hybrid approach determines the value of Utilities' water supply by summing the market value of existing water rights and infrastructure (buy-in component) and the market value of future water rights and infrastructure yet to be purchased (incremental component). While full buy-in or incremental approaches are used by some water providers, those approaches do not appropriately reflect Utilities' water supply circumstances where future customers will utilize both the existing and future water supply system. Therefore, neither have been used in the past.

Staff are now proposing to apply a cost-based value to the buy-in component for all existing water rights. Cost-based value is what Utilities originally paid for the water, then increased by the consumer price index (CPI) as opposed to a market-based cost. A cost-based approach for the buy-in component is less expensive and more appropriately reflects the cost for water rights that were purchased early on when the cost of water was lower.

The recommended approach also includes a 30% contingency factor which is meant to cover uncertainties in the cost of future water rights and infrastructure. This contingency is only applied to the incremental portion of the WSR fee. A 20% safety factor is also included. This is intended to cover uncertainties in future water supply and demand such as climate impacts and rate and type of development/redevelopment that may or may not occur. A 20% safety factor is not standard among other water providers; however, most water providers apply some sort of risk factor or methodology to account for potentially lower water supplies. Some of these include building a buffer into dedication requirements, relying on drought response plans to adjust in low water years, or other contingency factors. Staff do not consider the 30% contingency factor or 20% safety factor to be redundant because they serve different purposes and have included both in the WSR fee.

Since the April 9 Council work session, staff worked with a consultant to determine the best approach to adjust the cost of existing water rights under the hybrid, buy-in, cost-based portion of the fee. The decision was to escalate by the CPI. The result is a fee of \$63,800 per acre-foot, which is \$4,400 per acre-foot less than the current fee of \$68,200 per acre-foot.

The other option that was presented on April 9 was to continue with the current hybrid, market-based method for the buy-in and incremental approach. After updating the market values of water rights, the fee is \$110,700 per acre-foot. This is a decrease from the \$116,500 per acre-foot that was presented in April, due to a decrease in Colorado-Big Thompson water rights values over the past nine months.

Relationship Between Rates and Fees

Because Utilities is a municipal-owned, cost-of-service utility provider, there is an inverse relationship between rates and fees. In general, the lower the WSR fee, the more it will impact customer rates. The higher the fee, the less it will impact rates. The WSR fee also impacts the source of funding for projects like the Halligan Water Supply Project (Halligan). The impact to customer rates strongly correlates to the amount of development that occurs. The City's Planning Department has two projections for the type of development and associated growth we can expect, which results in an additional water dedication of either 1,024 or 2,000 acre-feet over the next 40 years. If the recommended WSR fee of \$63,800 is implemented, it is projected that Utilities will collect roughly \$4.5 million less in development fee revenue by 2065 compared to requiring the current fee of \$68,200 per acre-foot. This is a decrease of 6.5% in development fees, which would require roughly a half-percent increase in customer rates to recoup the difference. On average, staff expect development to pay Utilities for roughly 25 acre-feet of water in cash for development each year over the long term. In recent years, though, this amount has been much less, which also drives higher short-term needs to increase rates to stabilize revenue and increase debt capacity for a project such as Halligan. Currently, Utilities estimates a 7-10% increase in water rates each year over the next 10 years based on the current fee and average revenue from WSR and surcharges over the past five years.

Dedication Amounts

The total WSR fee is based on the water supply needed by a development. It was noted at the April 9 Council work session that regional dedication requirements vary by water provider and within the City's Growth Management Area. Other providers use different calculation methods such as tap credit or peak water use, different time periods of historical use, or inclusion of a safety factor. Of note, Utilities serves approximately 80% of the City's population and 60% of the area within City limits. The Utilities WSR is based on a development's business type and characteristics such as square footage of building and

landscape, number of rooms, etc. In general, the fee varies such that lower water-use developments pay less, while higher water-use developments pay more. Utilities water dedications were determined using analysis of existing accounts' actual consumption. Using this method, it was determined that restaurants generally use more water than other businesses. Based on the actual consumption analysis, staff are confident in the dedication requirements for each business category.

Assignment of Pre-1984 Non-residential Allotments

On April 9, staff also provided a history of assigning allotments. Approximately 1,000 pre-1984 non-residential (commercial) accounts do not have an allotment. Staff recommended assigning allotments to these customers for consistency, fairness, and more conservation opportunities. There were four methodologies presented for calculating an allotment with staff recommending a hybrid methodology.

The hybrid methodology assigns an allotment using either the 1989 tap credit or the account's five-year historical average use, whichever is greater. Utilizing a five-year average helps to reflect the most recent history and ownership should businesses have changed owners or uses over time.

By assigning the higher allotment value using tap credit or average use, the goal is to minimize overages and the incurrence of an excess water use surcharge (surcharge). Staff estimated potential surcharge impacts by comparing the account's proposed allotment to the annual consumption for that account in the last five years. Had all accounts been assigned an allotment during that time, between 50-75 accounts – approximately 5-7% of the pre-1984 accounts – would have incurred surcharges each year. For comparison, 8-15% of accounts with existing allotments incurred surcharges in each of the last five years.

Analysis of pre-1984 accounts with identified use types shows the most likely to be impacted by surcharges are irrigation-only accounts, including several City-owned properties, mixed-use strip malls, and restaurants. The potential impact may be attributed to highly variable factors affecting these use types such as weather, patronage, and revolving tenants.

Additionally, staff anticipate some additional, highly variable account uses, including large water users and large tap accounts, some City-owned facilities, and some homeowner's associations that may experience more negative impacts and require more in-depth analysis, customer outreach, and support.

It is likely that many accounts potentially subject to surcharges would benefit from conservation programs, which would decrease anticipated impact. Office hours throughout the next several months will allow customers and staff to discuss specific water needs and any conservation opportunities that may be a good fit for a particular account, property or use type.

Between 2019-2023, 25 of 157 City-owned accounts with allotments have exceeded their allotments. Eleven accounts exceeded more than once in the last five years. Since 2019, City accounts have paid an estimated \$176,000 in surcharges. Of the 138 City-owned accounts without allotments, 10 would have exceeded at least once in the last five years. Five would have exceeded more than once.

Customer Outreach

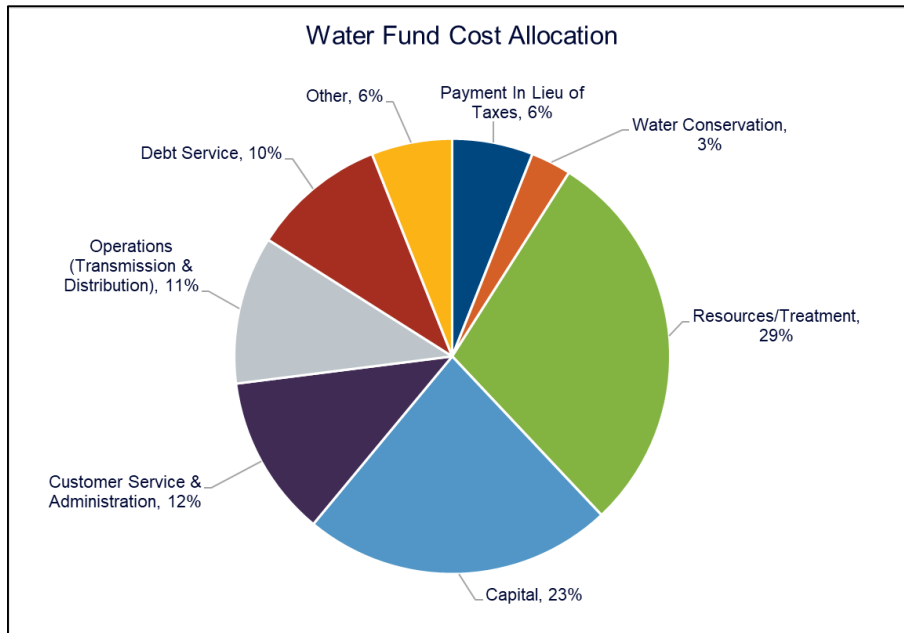
Utilities reached out to customers and community members who will potentially be impacted by these decisions, including developers, community groups, Boards and Commissions, existing customers, and non-residential customers who would be assigned an allotment. In general, the feedback received has been positive or neutral, with most groups interested in better understanding their specific situation. Tactics for outreach included: Our City page, direct email and mail, webinar for potential new allotment customers, lunch and learn for internal staff, and dedicated office hours appointments by request.

Additional Follow-up

Remaining Councilmember questions with staff responses:

1. What is the breakdown of fees on a customer's bill?

The graph below illustrates the breakdown of a customer's bill. Capital improvement projects (Capital) can vary year to year, and for the next 10-year timeframe, will likely range between 25-35%. This graph is also [available online](#).



2. What WSR fee was used in the base rate setting?

The current fee of \$68,200 per acre-foot.

3. Are we disincentivizing residents to remodel or redevelop?

The residential WSR for indoor water use is based only on the number of bedrooms and is not applicable to general home remodels. Any remodel or redevelopment that adds bedrooms, such as an addition to the home or building a separate accessory dwelling unit, requires the property owner to pay a WSR fee for the increase in water service. However, at a proposed fee of \$63,800, Utilities would still have one of the lower fees for most types of residential developments compared to surrounding providers.

NEXT STEPS

1. Bring forth an ordinance for the WSR methodology and fee and assigning allotments for first reading in October 2024.

ATTACHMENTS

1. Presentation

Water Supply Requirements, Excess Water Use Surcharges, and Pre-1984 Non-Residential Water Allotments

Jill Oropeza

Utilities Interim One Water Director

Jen Dial

Utilities Water Resources Manager

Heather Young

Utilities Senior Community Engagement



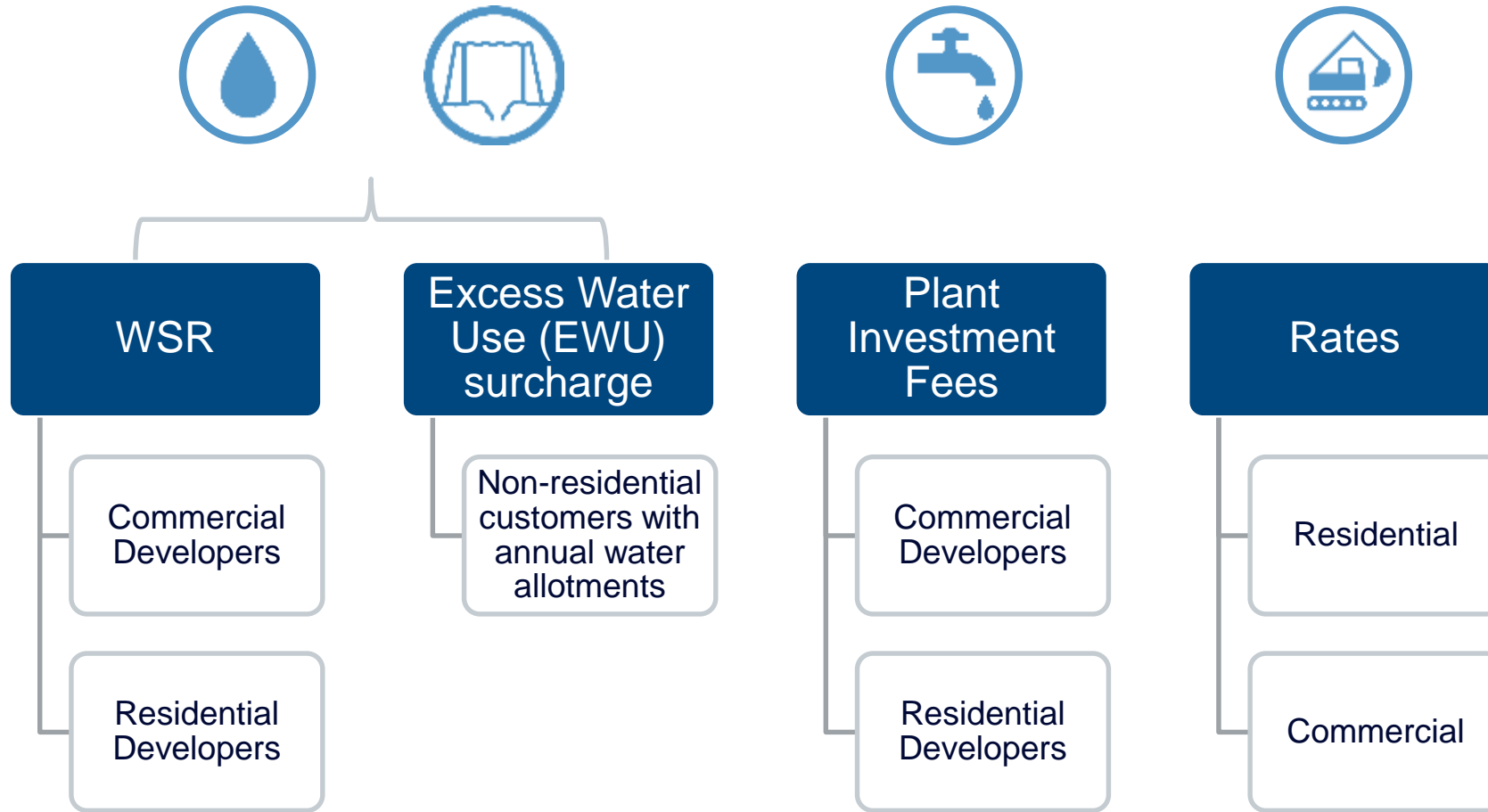
April 9 Council Work Session general agreement:

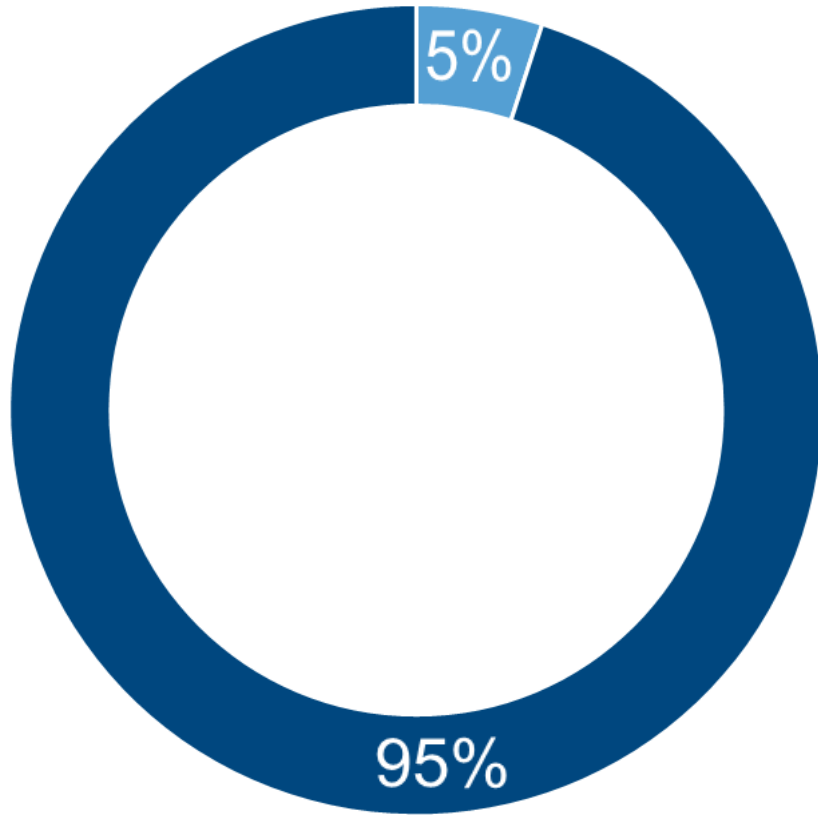
- Utilizing a proposed hybrid, cost-based approach for Water Supply Requirement (WSR) fee.
- Assigning allotments to non-residential customers using a hybrid methodology that calculates an allotment based on the greater of the 1989 tap credit or 5-year historical average water use.

Today

- Update on the proposed methodologies.
- Update on customer engagement to date.
- Answer outstanding questions from the work session.







Water Utility Rates

Rates paid by existing customers make up approximately 95% of the water fund revenue.

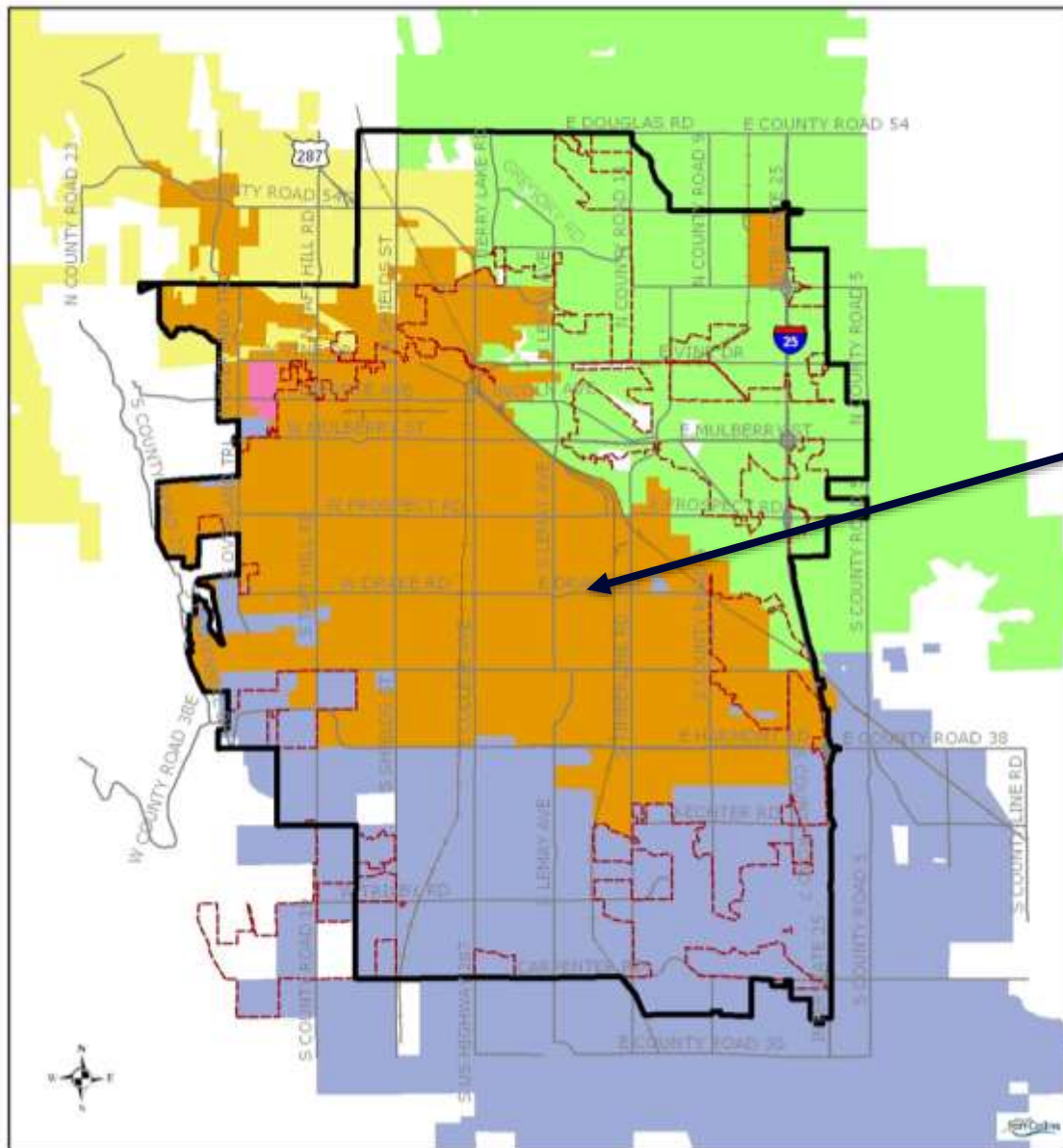
Development/Redevelopment Fees

New development and redevelopment within the water service area make up approximately 5%.

Fort Collins Area Water Districts Map

~36,000 water taps (32,000 customers)
~3,000 are commercial (1,900 customers)

Utilities Water Service Area



- GMA
- Major Streets
- City Limits
- Railroad

Water Districts

- ELCO Water District
- Fort Collins-Loveland Water District
- Fort Collins Utilities (Water)
- Sunset Water District
- West Fort Collins Water District

1. What questions do Councilmembers have on the updated proposed WSR fee and related impacts?
2. What questions do Councilmembers have on assigning water allotments to non-residential accounts without allotments under the hybrid method?

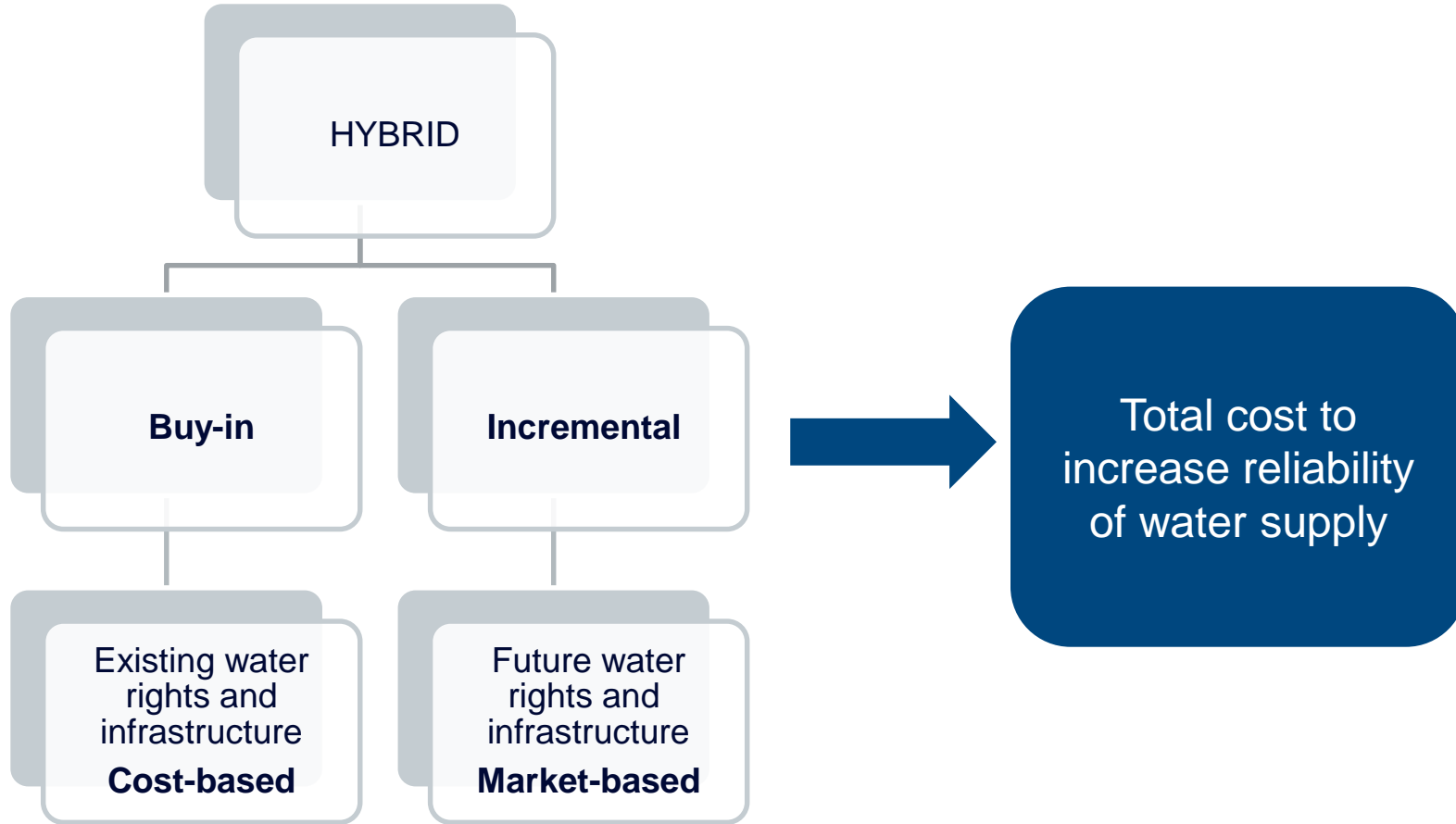




WSR Pricing Methodologies

Jen Dial, Water Resources Manager

Proposed WSR Methodology Overview



WSR = Existing water + future water rights & infrastructure

Buy-in

Existing water rights

Can determine past purchase prices and costs.

Options on how to value:

- Market price in today's dollars
- Cost of what was paid plus Consumer Price Index
- Safety factor

Incremental

Future water rights and infrastructure

Requires modeling and predicting costs of future water supply needs.

Cost considerations:

- Market-based
- Contingency
- Safety factor

Method	Draft Cost	Considerations
Cost-based 30% contingency 20% safety factor	\$63,800/AF	<ul style="list-style-type: none"> • Increased by Consumer Price Index over time • Added infrastructure to buy-in component • Higher rate impact to existing customers
Market-based 30% contingency* 20% safety factor**	\$110,700/acre-foot (AF)	<ul style="list-style-type: none"> • Current approach with updated costs • Higher impact to developers • Lower rate impact to existing customers

*Contingency: Captures uncertainties in future costs

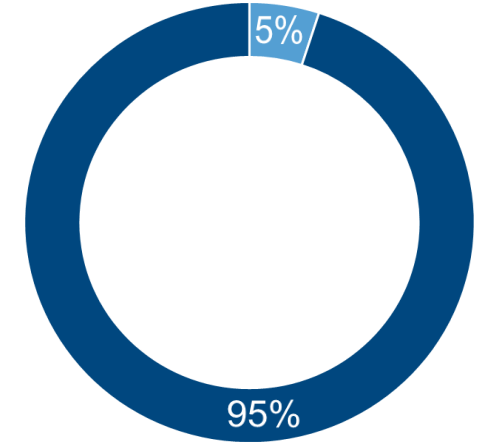
**Safety Factor: Captures uncertainties in future demand and supplies (e.g., climate change, development types, etc.)



- Estimate 1,024 or 2,000 acre-feet of water dedication remaining
 - 25 acre-feet/year on average
 - Recently less



- Proposed method at \$63,800/acre-foot
 - \$4.5 million less revenue
 - 0.5% rate increase over 40 years
- At current fee (\$68,200) expect 7-10% rate increase from 2025-2033 assuming five-year average of revenue from WSR and surcharges



- ~5% of total water fund

Item 2. Comparison of Dedication Requirements

- Varies widely amongst water providers
- Average historical use of varying time periods
- Historical use with a percentage increase for losses (delivery, evaporation, fire prevention)
- Peak demand (tap size)





Methodology for Assigning Remaining Non-Residential Water Allotments

Jen Dial, Water Resources Manager

Customers would be assigned an allotment based on one of these methods, **whichever value is greater.**



Tap Credit

Assigns a volume based on meter size determined by the 1989 tap credit value.

Average Historical Use

Assigns a volume based on average five-year historical water use per tap.

In the last five years, number of new allotment taps lower than three inches that would have:	
Been charged an EWU surcharge	154 (15%; 50-75 each year)
Exceeded allotment three or more years	41
Paid an annual surcharge more than \$20,000	6
<i>Total EWU surcharges collected in each of the last five years would have been \$135,000 - \$250,000 at the 2024 EWU rate.</i>	

Item 2. Sample Customer Impacts



Top three business types most likely impacted	Number of accounts paying EWU in max year	Estimated sum of EWU in max year
Irrigation	31	\$169,545
Mixed use (strip malls)	22	\$62,474
Restaurants	38	\$111,508

Under this methodology, most customers would not be significantly affected

Courses of Action

- Recommend a one-year grace period where surcharges would not be assessed.
- Engage with customers one-on-one over the coming months.
- Explore exception process.
- Encourage conservation projects as appropriate.

Considerations

- Large accounts
- HOAs
- City Parks accounts





Customer Outreach

Heather Young, Senior Community Engagement Manager

- Build relationships.
- Help customers understand their unique circumstances.
- Seek feedback to improve project decision.
- Deliver feedback to core team to incorporate into decision making.



Project update through email and mail

- Developers and interested parties
- Customers who have exceeded their allotment

Notified potential new allotment customers in person, email, and mail

- Included information on proposed allotment size

Our City page

- Questionnaire

Webinar

- Education for potential new allotment customers

Lunch and Learn

- Internal staff

Ongoing

- One-on-one office hours



Water Supply Requirements and Non-Residential Water Allotments



Fort Collins Utilities is determining the [Water Supply Requirement \(WSR\)](#) fee and [Excess Water Use \(EWU\)](#) surcharge for 2025. During this process, Utilities is also planning to issue water allotments to non-residential customers who do not have them to administer water fairly across our service area. Ultimately, closer to the end of the year, City Council is expected to hear staff proposals on fee and surcharge updates, in addition to water allotments, and decide whether to adopt them.

During the process to update the fees and assign allotments, Utilities would like to hear from you. To learn more, review the information below. We are also collecting feedback through the questionnaire button on this page.

FAQs

- What's a WSR?
- What's an allotment?
- What's an EWU surcharge?
- How do I know if I have an allotment?



Item 2. Feedback We Have Heard

- Minimal concerns with assigning allotments.
- Questions from customers to help them understand how they will be impacted by changes.
- Considerations for affordable housing providers.





Next Steps and Questions

Jen Dial, Water Resources Manager

August

October



1. What questions do Councilmembers have on the updated proposed WSR fee and related impacts?
2. What questions do Councilmembers have on assigning water allotments to non-residential accounts without allotments under the hybrid method?



WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Drew Brooks, Deputy Director, PDT
Kaley Zeisel, Transfort, Director
Annabelle Phillips, Transfort, Assistant Director

SUBJECT FOR DISCUSSION

West Elizabeth Enhanced Travel Corridor Project Update.

EXECUTIVE SUMMARY

The purpose of this item is to update Councilmembers on the progress of the West Elizabeth Enhanced Travel Corridor project, including the status of the Federal Transit Administration (FTA) Capital Investment Grant (CIG) Small Starts application.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions or feedback do Councilmembers have about a Fiscal Year (FY) 2026 CIG Small Starts application?
2. What questions or feedback do Councilmembers have about moving forward with the Foothills Transit Station/Roundabout independently of the rest of the project.

BACKGROUND / DISCUSSION

In 2016 a study was completed of the West Elizabeth Corridor and an Enhanced Travel Corridor (ETC) plan was adopted by Fort Collins City Council. This ETC envisioned a multimodal corridor, including Bus Rapid Transit (BRT), Americans with Disabilities (ADA) compliant pedestrian facilities, and protected cycling lanes, that extended from Colorado State University(CSU) Main Campus west to a new transit center on the corner of West Elizabeth & Overland.

In 2019 the City was awarded \$750k in State funds to complete through 30% engineered design for the corridor. This phase of the design was completed in late 2022. An additional \$1.25M in funding was awarded to complete the design.

In July 2021 Transfort entered Project Development (PD) for the West Elizabeth ETC Project under Federal Transit Administration (FTA)'s Construction Investment Grant (CIG) Small Starts program. This is the first step an agency must take to be considered for CIG Small Starts funding.

In 2023, Transfort was awarded \$10.7M in Rebuilding American Infrastructure with Sustainability and Equity (RAISE) for the portion of the West Elizabeth ETC project encompassing the western terminus of the corridor – constructing a transit station on West Elizabeth & Overland and converting the current traditional intersection to a roundabout.

In August 2023, Transfort submitted a Project Ratings Request to FTA for this project for consideration of FY2025 federal funding. This is the next step toward qualifying for a Construction Grant Agreement under the CIG Small Starts program. To qualify to be recommended for CIG Small Starts funding a project must score a Medium or higher. A summary of the budget and financial plan is below.

Additional funds are needed to complete design work in the amount of approximately \$3.0M. Transfort has been awarded CIG Planning funds that can be used toward this purpose. This scope also includes mission critical items such as work by Real Estate Services to research and prepare Right of Way (ROW) acquisition documents.

PROJECT OVERVIEW

The West Elizabeth ETC project corridor extends approximately three miles east-west through Fort Collins, from South Overland Trail (where the new Foothills Transit Center will be constructed) to the CSU Transit Center on the Colorado State University campus and to the existing north-south MAX BRT line along Mason Street.

BRT along the entire corridor will operate in mixed traffic. The BRT service will operate 16 hours per day Monday through Saturday and 12 hours per day on Sundays, with 7.5 to 30-minute headways on weekdays and 15-minute headways on weekend days. Other key design elements of the planned corridor improvements include enhanced transit stations with ADA access, shelter from the elements, and route/schedule information; separated bike lanes; intersection improvements; and Advanced Traffic Management Systems (ATMS)/Intelligent Transportation Systems (ITS) technologies – this is a comprehensive multimodal project to enhance safety, comfort, and convenience for all users.

This project aims to mitigate several serious safety and accessibility issues that currently exist in the corridor. For example, during the period analyzed from January 2017 through December 2020, there were a total of 214 crashes in the corridor, including 1 fatal crash at West Elizabeth/Overland, 14 bike crashes and 2 pedestrian crashes. Currently, bike lanes and pedestrian facilities are inconsistent and uncomfortable. The design for the corridor will improve safety and accessibility for all modes of traffic throughout the full corridor, including design elements such as protected intersections, protected roundabouts, raised and protected bike lanes, and fully compliant ADA accessible sidewalks.

This project will allow Transfort to optimize how it delivers transit service throughout the corridor. A new transit station at West Elizabeth and Overland will increase mobility options in this area and eliminate the current need for buses to utilize neighborhood streets to turn around. The station and roundabout will allow for consolidation and realignment of existing transit service, meaning more frequent service to riders in the project area. The transit station will be designed to allow for the turnaround of larger, 60FT articulated buses, which will increase capacity in the corridor. Currently, high ridership is resulting in the need for trailer buses to ensure riders are not left behind at stops due to full buses. The addition of multimodal options at the station such as bike lanes and ADA compliant sidewalks, additional first mile/last mile options for utilizing transit and increase in frequency times by consolidating transit service, will reduce vehicle dependence.

FUNDING PLAN

The chart below breaks down the estimated capital and operating costs to implement the West Elizabeth ETC Corridor, based on 30% design. This high-level project budget overview represents the cost of the full corridor, including the Foothills Transit Station and roundabout.

Cost Category	Cost Estimate
Capital Construction	\$ 71,626,000
Right-of-Way Acquisition	\$ 2,041,000
Vehicles and Vehicle Infrastructure	\$ 12,247,000
Design and Construction Management	\$ 14,096,000
Contingency	\$ 13,690,000
*Capital Cost Total	\$113,700,000
*Annual Operational Increase	\$ 2,000,000

**Cost estimates based on 30% design, may adjust as 100% design progresses*

The following sources have been identified to fund the design and construction of the West Elizabeth Corridor, including the Foothills Transit Station and roundabout. The chart below shows the funding sources and amounts, as well as which sources have already been funded.

RAISE Funds

Transfort was awarded FY2023 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) in the amount of \$10.7M for the construction of the Foothills Transit Station. A Budgeting for Outcomes (BFO) offer has been submitted for the 2025/2026 cycle to appropriate these funds with the required local match, which is being requested from transit 2050 sales tax funds as a one-time capital expense.

Multimodal Options Funding (MMOF) Funding

MMOF funds and their local matches in the amount of \$1.5M and \$2.5M, collectively \$4.0M in design costs, have been awarded can be used as local match to the overall project.

CIG Small Starts Funding

Transfort plans to request a 65% CIG Small Starts project share in its next project rating submittal. FTA guidance for the CIG Small Starts program advises that if the local financial commitment is rated at least Medium and the CIG Small Starts funding share is less than 50% of the project's capital cost, the Local Financial Commitment rating will be raised one level. In FY2025, the average CIG Small Starts funding share awarded was 55% of total project cost.

City of Fort Collins 2050 Tax/Other Local Opportunities and Partnerships

Transfort plans to use a significant amount of revenue from the 2050 Sales Tax to meet the local match obligation. Other local opportunities and partnerships could come from a variety of sources, including State funds or local match contributions from Colorado State University or other partnerships.

Design and Capital Costs Funding Sources – Full Project		
Funding Source	Amount	Status
FTA CIG Small Starts	\$ 65,650,000	TBD
Local Match	\$ 32,350,000	TBD
RAISE Grant	\$ 10,700,000	Funded
Multimodal Options Fund Grants	\$ 4,000,000	Funded
In-Kind Land (CSU Foothills Campus)	\$ 1,000,000	Funded
Total	\$113,700,000	

RATING REQUEST AND SCORING

FTA's Project Rating score is aggregated from multiple criteria ratings for both Project Justification (6 separate criteria) and Local Financial Commitment (3 separate criteria); FTA assigns 50% weight to the Project Justification score and 50% to the Local Financial Commitment score. After submitting for a project rating in August 2023, Transfort was advised by FTA that the West Elizabeth ETC Project would be rated at an overall Medium-Low; with Project Justification receiving a Medium-Low score and Local Financial Commitment receiving a Medium Score.

Transfort received feedback from FTA regarding several areas in which the Project Justification score could potentially be increased and Staff are working to implement these recommendations to the extent possible prior to resubmitting the project in August 2024.

Transfort also plans to remove the Foothills Transit Station and roundabout scope from the next project rating submission. The station and roundabout scope of the project have independent utility separate from the rest of the West Elizabeth corridor and have already been awarded funding, funds that must be executed in a grant prior to September 30, 2027. This aspect of the project will significantly benefit community members by implementing additional mobility options and safe and accessible facilities in this area, as well as adding the potential for improved transit services throughout the entire corridor. This action has additional benefits related to the project rating submission including reducing the federal portion of the CIG Small Starts project and is anticipated to help boost Transfort's rating in several categories, including land use, economic development, and cost effectiveness.

NEXT STEPS

None.

ATTACHMENTS

1. Presentation

July 9, 2024

West Elizabeth Enhanced Travel Corridor Project Update

City of Fort Collins

Drew Brooks, PDT Deputy Director

Kaley Zeisel, Transfort Director

Annabelle Phillips, Assistant Transfort



- Project Overview
- Current Status
- Project Budget
- FTA Small Starts Application
- Next Steps
- Questions

Plan Highlights

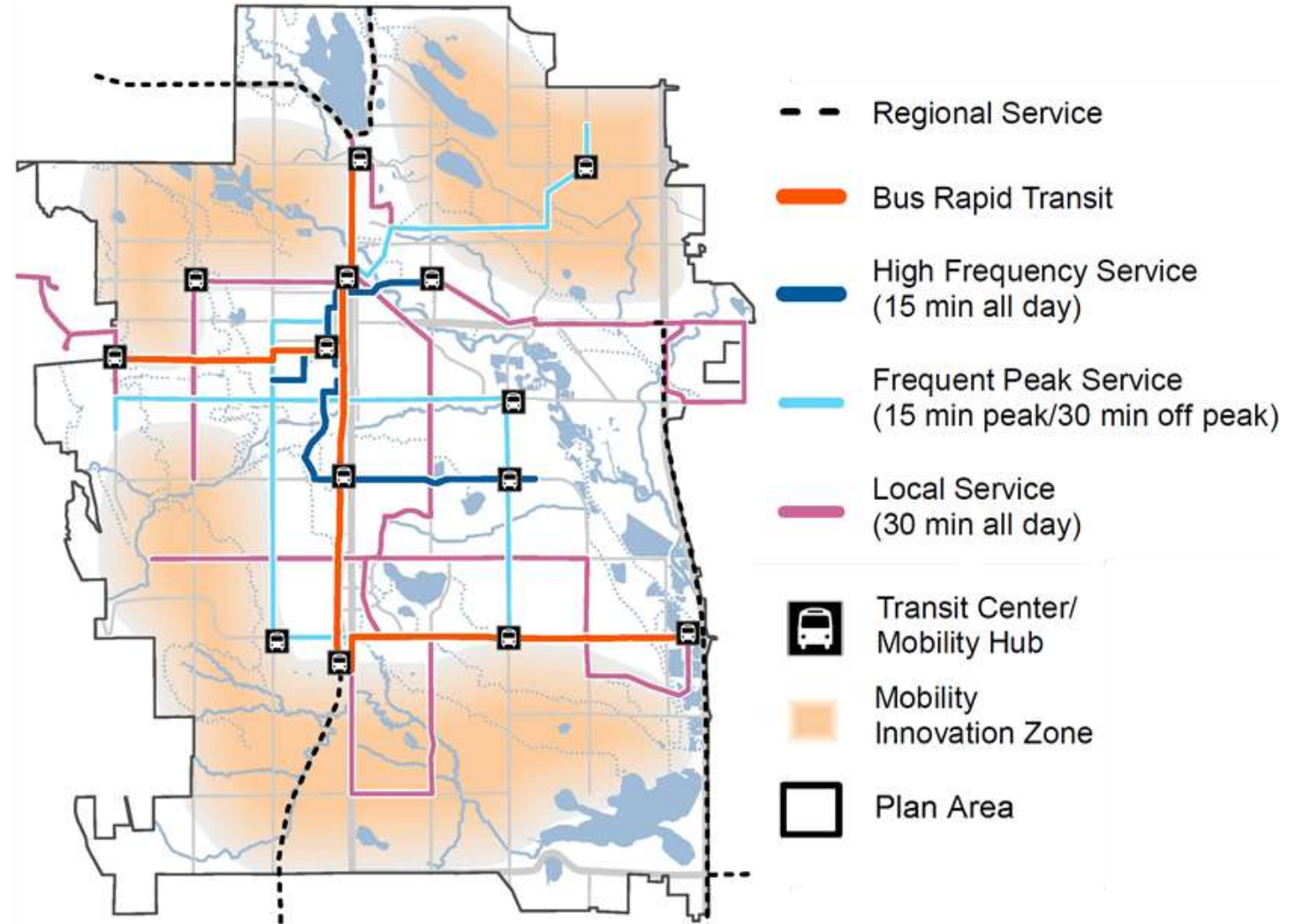
High frequency focus

- 3 new Bus Rapid Transit routes
- 30 minute service or better throughout the system (other than BRT routes)

▪ Regional connections

▪ Mobility Hubs

▪ Innovation Zones (on- demand service)





Issues to be Addressed:

- Unable to support travel demands
- Inadequate transit and multimodal facilities
- Safety concerns
- Challenges connecting between modes

Project Mission:

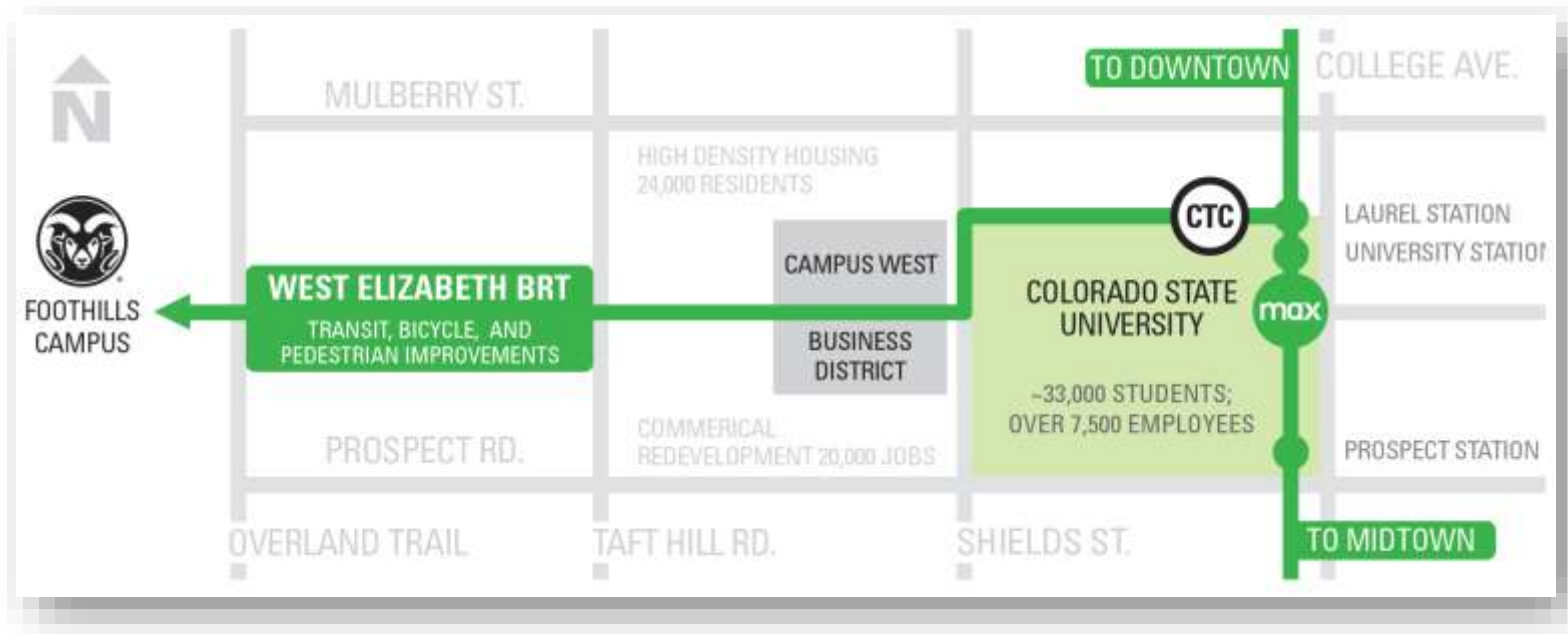
- Increase transit ridership
- Vision Zero
- Lower vehicle speeds
- Increase connectivity all modes
- Protected bike and pedestrian facilities

Indicators of Success:

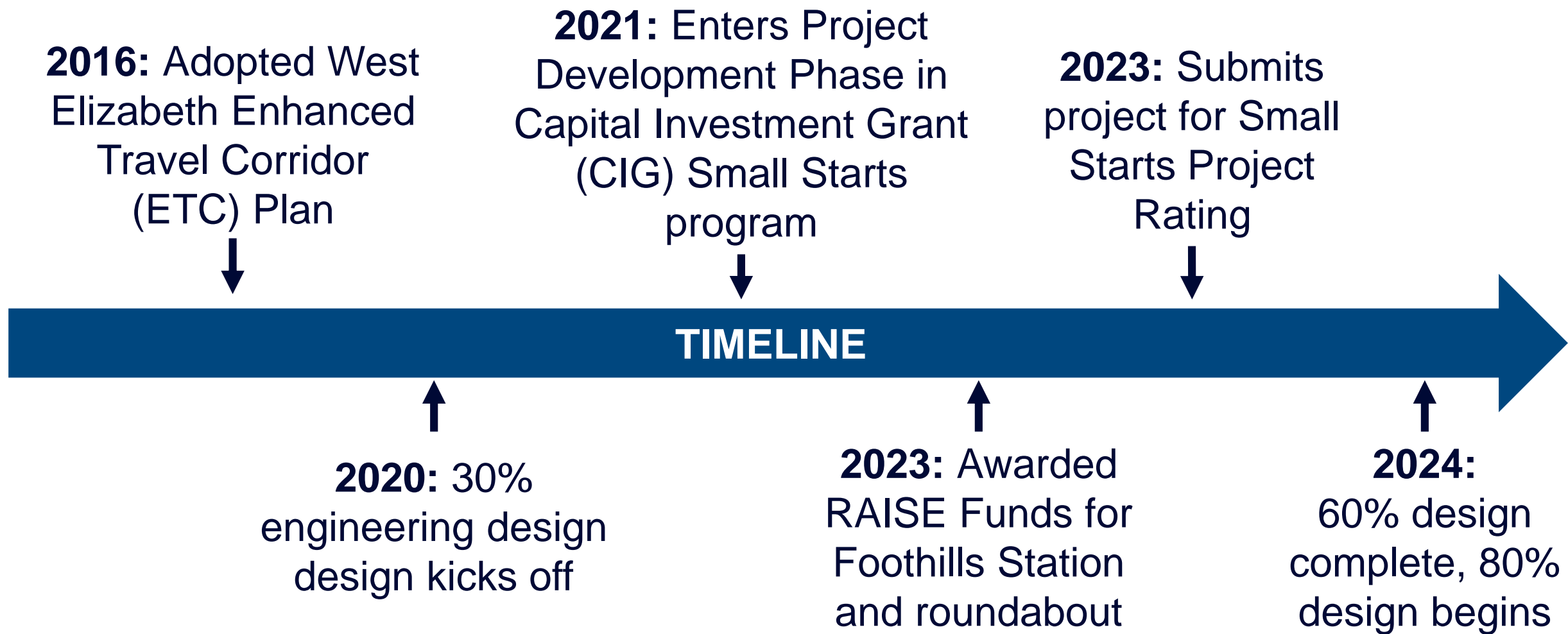
- Increased transit ridership
- Reduction in crashes
- Increased multimodal activity
- Reduced vehicular speeds along corridor

Project Features

- 3 miles connecting CSU campuses and to MAX
- Increased frequency along the corridor (AM peak: 7.5 minute)
- Raised, protected bike lanes
- ADA compliant sidewalks
- Floating bus stops (separating bike lanes from traffic)
- Protected intersections
- Protected roundabouts
- Electric Buses



Timeline of Project Milestones



COST CATEGORY	COST ESTIMATE
CAPITAL CONSTRUCTION	\$ 71,626,000
RIGHT-OF-WAY ACQUISITION	\$ 2,041,000
VEHICLES & VEHICLE INFRASTRUCTURE	\$ 12,247,000
DESIGN & CONSTRUCTION MANAGEMENT	\$ 14,096,000
CONTINGENCY	\$ 13,690,000
*CAPITAL COST TOTAL	\$113,700,000
*ANNUAL OPERATIONAL INCREASE	\$ 2,000,000

**COST ESTIMATES BASED ON 30% DESIGN, MAY ADJUST AS 100% DESIGN PROGRESSES*

DESIGN AND CAPITAL COSTS FUNDING SOURCES– FULL PROJECT		
FTA CAPITAL INVESTMENT GRANT (SMALL STARTS)	\$ 65,650,000	TBD
LOCAL MATCH	\$ 32,350,000	TBD
RAISE GRANT	\$ 10,700,000	FUNDED
MULTI-MODAL OPTIONS FUND GRANTS	\$ 4,000,000	FUNDED
IN-KIND LAND (CSU FOOTHILLS CAMPUS)	\$ 1,000,000	FUNDED
TOTAL	\$113,700,000	

Overall Project Rating

- High
- Medium-High
- Medium
- Medium-Low
- Low

Project Justification
(50% of Overall)

Local Financial Commitment
(50% Overall)

Mobility Improvements (16.66%)

Environmental Benefits (16.66%)

Congestion Relief (16.66%)

Cost-Effectiveness (16.66%)

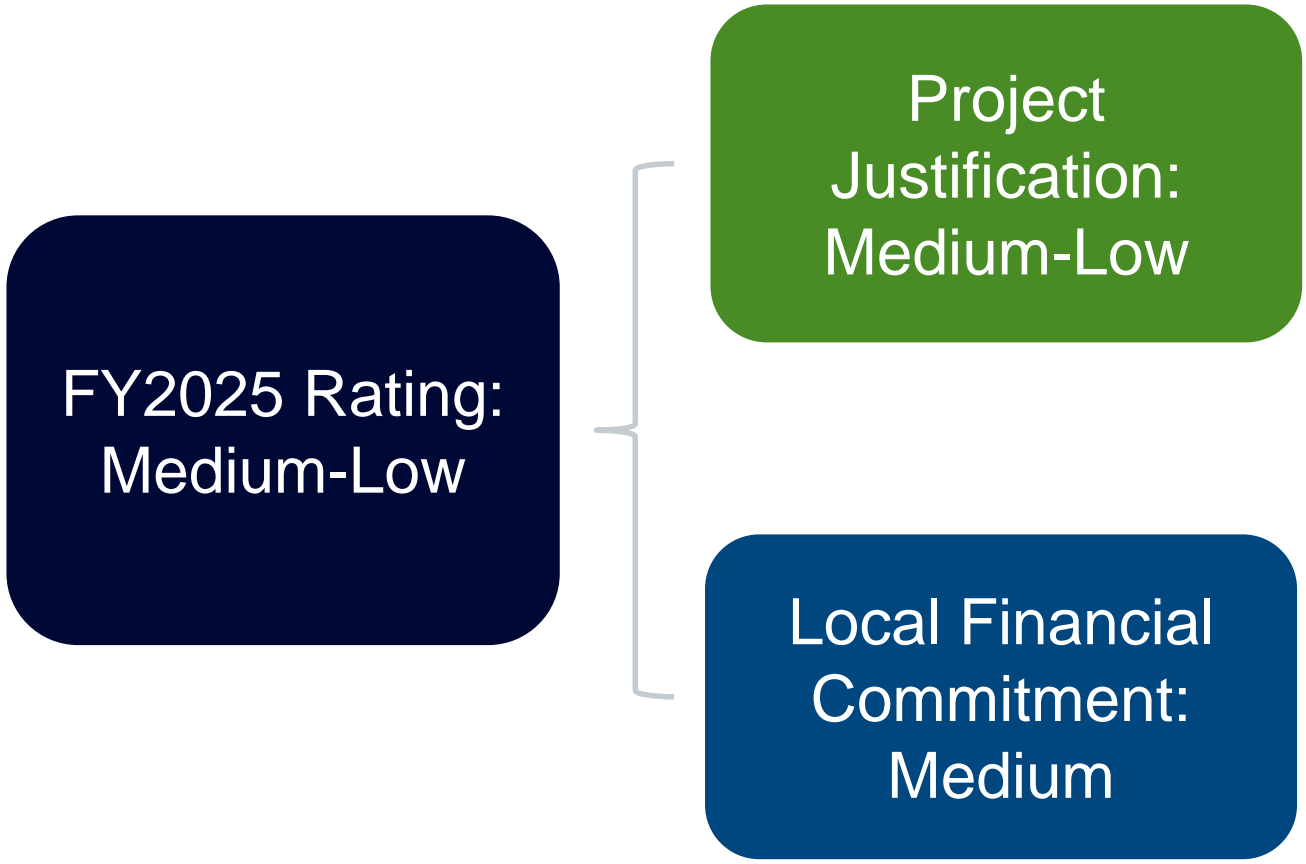
Economic Development (16.66%)

Land Use (16.66%)

Current Condition (25%)

Commitment of Funds (25%)

Reliability/Capacity (50%)



Feedback from FTA on FY2025 Submittal

- Reassess ridership and update ridership model
- Increase local match amount to decrease federal funding request
- Review affordable housing data
- Review transit-oriented development plans and policies

A FY25 Funding Recommendations (Small Starts)

Project	Total Project Cost (Millions)	Overall Project Rating
Monterey SURF! BRT	\$ 66	Medium-High
Minneapolis Metro F BRT	\$ 98	Medium
Salt Lake, Midvalley Connector	\$103	Medium-High
<i>*Fort Collins W. Elizabeth BRT</i>	<i>\$113</i>	<i>Medium-Low</i>
Rochester Link BRT	\$143	Medium-High
Madison N/S/BRT	\$151	Medium
Raleigh Wake South BRT	\$174	Medium-High
Chapel Hill N/S BRT	\$183	Medium
Denver E. Colfax BRT	\$255	High
San Antonio E/W BRT	\$289	Medium-High
Indianapolis, Blue BRT	\$372	Medium-High

The average Small Starts funding was 55% of total project cost

not recommended for funding, shown for comparison

Item 3. Foothills Transit Station

- On-route chargers for Battery Electric Buses
- ADA compliant sidewalks
- Real time bus information
- Driver relief station
- Funded with \$10.7M FY2023 RAISE award



WEST ELIZABETH DESIGN & CAPITAL COSTS (EXCLUDING FOOTHILLS STATION & ROUNDABOUT)	
SMALL STARTS	\$ 65,650,000
LOCAL MATCH	\$ 31,350,000
DESIGN (Awarded)	\$ 4,000,000
TOTAL	\$101,000,000

FOOTHILLS STATION & ROUNDABOUT - CAPITAL COSTS	
RAISE GRANT	\$ 10,700,000
CSU'S IN-KIND LAND MATCH	\$ 1,000,000
LOCAL (incl.\$400k State)	\$ 1,000,000
TOTAL	\$ 12,700,000

COMBINED TOTAL: \$113,700,000



- 1. What questions or feedback do Councilmembers have about a Fiscal Year (FY) 2026 CIG Small Starts application?**
- 2. What questions or feedback do Councilmembers have about moving forward with the Foothills Transit Station/Roundabout independently of the rest of the project?**