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**Minutes
City of Fort Collins
Futures Committee Meeting
Regular Meeting
300 LaPorte Ave
City Hall
October 14, 2013
4:00–5:00p.m.**

Committee Members Present:

Wade Troxell, Chair
Gerry Horak
Bruce Hendee
Darin Atteberry
Gino Campana

Committee Members Absent:

City Staff:

Dianne Tjalkens, Admin/Board Support

Invited Guests:

Brian Janonis, Utilities Executive Director
Carrie Daggett, Deputy City Attorney
Ana Arias, Public Relations Coordinator
John Haukaas, Water Engineering and Field Services Manager

Community Members:

Dale Adamy, citizen

Wade Troxell called meeting to order: 4:03 pm

Approval of August and September Minutes:

Gerry moved to approve August and September minutes. Gino seconded. Passed unanimously. 5-0-0.

Chairman Comments: Bruce talked about Warren Lake issues around ditches. Brian will cover this more in his presentation.

Think Tank Item 9: Long Term Water Strategies—Water rights and irrigation ditches:

Brian Janonis

Presentation Summary:

Brian passed out a packet of information and maps. Fort Collins' first water treatment plant was built in 1882 and called City Ditch. In some of these ditch systems we own up to 75 % of the water. We accepted that water with the intent that it be diverted at the water treatment plant. The utility has been under pressure from Council to size Halligan Reservoir to be as small as necessary. They are constrained by water districts all around us. In Warren Lake, 75% of the shares are diverted at the treatment plant, leaving the lake rather dry. But the recreational rights to these reservoirs are often leased or owned by HOA. In the case of Warren Lake, the recreational water rights are owned by the land owners. They make sure it is full for aesthetic reasons, but that isn't the purpose of the utility. The purpose of the utility is to get water to its customers. When we change a decree to the treatment plant, there are stipulations. One stipulation at Warren Lake is that when we reach 75% ownership, we must renegotiate the agreement. There is a situation now where we want to own a certain percentage of water, but not over that amount because it opens the decrees. At Meadow Springs Ranch, we own a small water right. We've spent over a hundred thousands of dollars defending that water right and will have to spend more to defend an appeal. You don't want to open yourself up to look at old decrees and end up having to bargain for a new position. We have numerous ditches throughout Fort Collins. On the south side we have Loudon Ditch, which is served off of the Big Thompson and owned mostly by the City of Loveland. Because ditches and water rights are considered a commodity, what the City doesn't own is being bought by other utilities (Arapahoe, Denver, Greeley, etc.). The dilemma is that if the utility doesn't buy, someone else will and that water will be used somewhere else and taken out of the ditch system again. Greeley wants to divert their water upstream. They can file for an alternate point of diversion (APD). When they file that an APT, they can also divert at Halligan for long term storage. There is a potential that the ditch system and the look of the City will be different in the future. In New Mexico, the ditches were dried up and trees have died as a result. A study by CSU of the North Poudre system shows that when you start making the system more efficient, the natural habitat and wetlands go away. The community value is only there as long as the water is there.

Comments/Q & A:

- I've studied seepage and evaporation and remember a figure of up to 37% loss. As valuable as water is becoming, will they begin lining ditches and piping it all?
- Some of our decrees have a favorable seepage loss. That is factored in with alternate points of diversion. You can only transfer what is conveyed and consumptively used on the field. You have to mitigate through reservoirs downstream.
- Are there were disincentives to invest in minimizing that?
- We have negotiated a more favorable number in a decree, but the 37% is realistic. I met with Greeley this week and our situation isn't any different than Greeley, Loveland, or Longmont's ditch systems in their cities. We need to start thinking about how we are going to manage this transition that achieves more than just utility purposes. There are reservoirs we may want to maintain, and we need to strategize how to keep water in them. We may want to develop a raw water or greywater utility, where irrigation water is conveyed to parts for separate purposes.
- There are ponds that silt builds up in that are part of our Stormwater system. They would like some partnership from a Stormwater perspective.

- The Stormwater situation can be very different. They were developed by HOAs that are responsible for maintaining them.
- They have changed that over the years. There is a note on approved draws.
- A key point is that the use of the ditch water is contingent on having a reservoir to store it in. All of the modeling assumes that we have a long term storage facility online by 2010. The permitting isn't going as smoothly as anticipated. It's 2013 and we are in a position where we allow acceptance of ditchwater, but it's not doing us any good. We need to consider changing our raw water acceptance. It's not just a raw water utilization fee we are looking at, but stopping accepting ditch water because it's not doing us any good.
- ELCO only accepts water that has storage. You have to provide your raw water as a subdivision comes online. In Fort Collins you buy it as you permit each home. ELCO, water has doubled in price. It is a \$15,000 swing in raw water alone. If we reduce number of ditches we can receive, the price of the ones we use will go up.
- Some developers bought into ditch companies anticipating they could trade the water in for development. If we no longer accept it, they will have millions of dollars in water rights that we will no longer accept. The impacts are far reaching. Some of you may have been approached by developers at Kechter. They are trying to renew an agreement that would allow them to develop in the water district, but allow them to bring water or pay Fort Collins, not the district. We accept water at \$6500 per square acre foot. When they go to Fort Collins/Loveland they have to bring cash. It is close to \$20,000 per acre foot. For their subdivision it's a \$4 million difference between developing in the Fort Collins system vs. the Fort Collins/Loveland system.
- That is because Fort Collins is a little behind in how much they charge because we don't have the storage. It is going up by the day.
- What is the future, what is the picture we want to paint?
- Does Council feel that we ought to maintain these reservoirs and the ditch system? We can do something different and consolidate ditches. One problem with irrigation companies in Fort Collins is that they are very small and they don't have professional management. For example, on the North Poudre it is a big enough ditch company to have a professional manager. They are working with home owners, having board meetings; they understand why we need to expand the reservoir. It will inundate some ditch company properties and it will kill cottonwoods, but they understand why we have to do it. With the small companies, they don't have the time to spend with homeowners affected by it. Larimer #2 and New Mercer run parallel with each other, and there are others. Some of these could be consolidated.
- What does that mean, consolidating the ditch or the management?
- Both. They need to make it a large enough company so they can afford a full time manager. It depends on the easements. They could combine ditches and convert part to a trail system that would be a community asset and reduce seepage loss.
- Is there a community like ours that uses a raw water irrigation system?
- Greeley is doing it through HOAs that are private.
- Can we put greywater back into that system?
- That is where you get into legal issues and water laws.
- We could do a demonstration and inform policy makers to change legislation.

- Keeping the ditch system and modifying it over time makes sense. We could take ditch water with provisos around storage. It will go up in value over time. We can sell parts later.
- The problem is reliability of the water when you need it.
- We do an adjustment with the storage factored in.
- The whole point was transferring the rights to the treatment plant or Halligan. Long term you don't want 70% of your water chlorinated for purposes that don't need chlorination.
- It's wasteful to have our irrigation water treated.
- In drought, it's more efficient to deliver water through a pipe.
- You could turn it into a creek/trail system that is lined on the bottom.
- We want to avoid unintended consequences. We need to maximize the use of these resources from every angle.
- There are many unintended consequences. For aesthetics, there are charter issues. Once we conquer that hurdle, what do we do with Sherwood Lake homeowners who bought the water, to insure they get it?
- A lot of that water goes through Warren Lake. It feeds the parks, and it can continue to go through that system.
- If we look at alternative methods for irrigation and planning processes for new projects, we need to think this way. The conversion is for additional growth. If we affect that, we affect the size of the treatment plant, etc.
- There are issues around areas we don't control. A lot of growth is in the north east part of town and that is ELCO. We want to support that. We don't want to fight ELCO. ELCO is trying to provide water to Fort Collins' citizens.
- We have to look at regional cooperation.
- This is the reason we need to cooperate with the water districts. We tried to take them over at one point. We saw them as fueling growth. Now they are more afraid that Fort Collins is fueling growth and they are going to have to provide the water.
- In regard to Arthur's ditch canal, it is buried until it gets to CSU. We incur lots of costs there, like when roads fail.
- In the '30s the City sold bonds to Barry Arthur ditch. The question now is who is liable for that? There are buildings over Arthur ditch and that is a liability issue we need to work out.
- This is good news for regional cooperation and gives impetus for being on the path we're on.
- We hope to convey to Council and staff that there is tremendous value to cooperating with water districts, and we want to.
- Can you use the ditches for storm water conveyance? Are there ways to use large rocks and structures to make it look good, but reduce seepage?
- Before I was on Council I never heard about the purpose of ditch water and what was the ultimate plan. We don't want to lose this asset.
- I don't see an outlet at Sherwood Farms.
- It is at the dam. It is a private lateral, and therefore is not on the map.
- Other community values need to play into the decisions.
- Other challenges are that there are constraints from water law. There will be a lot of meetings to work through those aspects. The other thing is real property law; there may

be a prescriptive right for an irrigation ditch that needs to be worked with to change the use of the water.

- The vision doesn't cement anything down, but captures the values. We are at the data gathering phase. Then you have discussion and come up with innovative ideas and solutions.
- What is important is to understand the systems. The utility is good at looking at it for utility purposes. But we have a bigger system that includes aesthetics.
- In other cases we would start a master planning process. There is a lot at stake here. It is impactful on neighborhoods, aesthetics, and recreation. Would the various companies be interested in having a conversation about the future and engaging in a long term planning process that reaches outside their normal scope?
- We have a topic we can get the Council to rally around. When you get Fort Collins/Loveland and ELCO then you have control over nearly every ditch in the area with those three players.
- What does this look like 50 years from now? How will our right-sizing conversations around Halligan affect the future?
- They made models to determine right size for Halligan.
- Storage, treatment, etc. need to be on the same page. What can the overall do? What makes the most sense?
- What else we need to think of aside from treatment, storage, etc.?
- Part of master planning is a system-wide approach.
- This relates to our Nature in the City plans.
- It also affects our wildlife corridors.
- CSU's hydraulics lab is running experiments. The university stops experiments to divert to City Park Lake.
- How do the ditches connect to the treatment plant?
- Through the river. We convert ditch water to water rights at the diversion point.
- Part of the system solution is looking at private land.
- If we were to own Warren Lake, do we want to make it a community asset, open to the public?
- This is a significant effort. We could have a profound impact on this community. We need to distinguish between short-term and long-term. The most pressing issue is Halligan. Council will be briefed within the next quarter.
- I'd like more top level overview.
- There should be more discussion around Nature in the City.
- Nature in the City is the appropriate place to talk about what the City will look like 40-50 years out. Perhaps we expand the meetings with Councilmembers regarding Halligan and the information on this map.
- Council should have the full picture. Brian will be happy to meet with them.
- If Council is interested, then they will approach the companies that are involved. This is a public planning discussion. We develop the vision.
- Once you have buy-in into the plan, you have power. Come up with some nice examples to show.
- If you think of it over a 50 year timeframe it starts to make sense.
- It is incumbent on Darin to talk with his executive team.

- I see people climbing fences to walk along the ditches and bird watch. There is an opportunity for open space there.
- Make sure to have in the cost-benefit analysis what will happen if we don't have this and how it will affect our community and affordable housing.

DO 9: Next Steps

- Bruce and Brian will work out meetings with Councilmembers.
- Bruce will send an update to committee members regarding the meeting next Friday with people from Denmark and whether or not it will happen.

Additional Discussion:

None.

Meeting adjourned by Wade Troxell at 5:16pm.