

**Utilities**

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M E M O R A N D U M

DATE: February 1, 2021

TO: Mayor Troxell and Councilmembers

FROM: Eileen Dornfest, Special Projects Manager

THROUGH: Darin Atteberry, City Manager
Theresa Connor, Interim Utilities Executive Director

RE: Halligan Water Supply Project Update - 2020 Year in Review

The purpose of this memo and attachment is to provide the following information about the Halligan Water Supply Project (Halligan Project):

1. A summary of 2020 accomplishments and upcoming activities
2. An update on the project schedule

BOTTOM LINE

2020 was a successful year for the Halligan Project and included the public comment period for the draft Environmental Impact Statement (EIS), as well as the commencement of two state permitting processes required for the project:

1. The Fish & Wildlife Mitigation and Enhancement Plan
2. The 401 Water Quality Certification.

A summary of 2020 accomplishments and upcoming activities is included as Attachment 1.

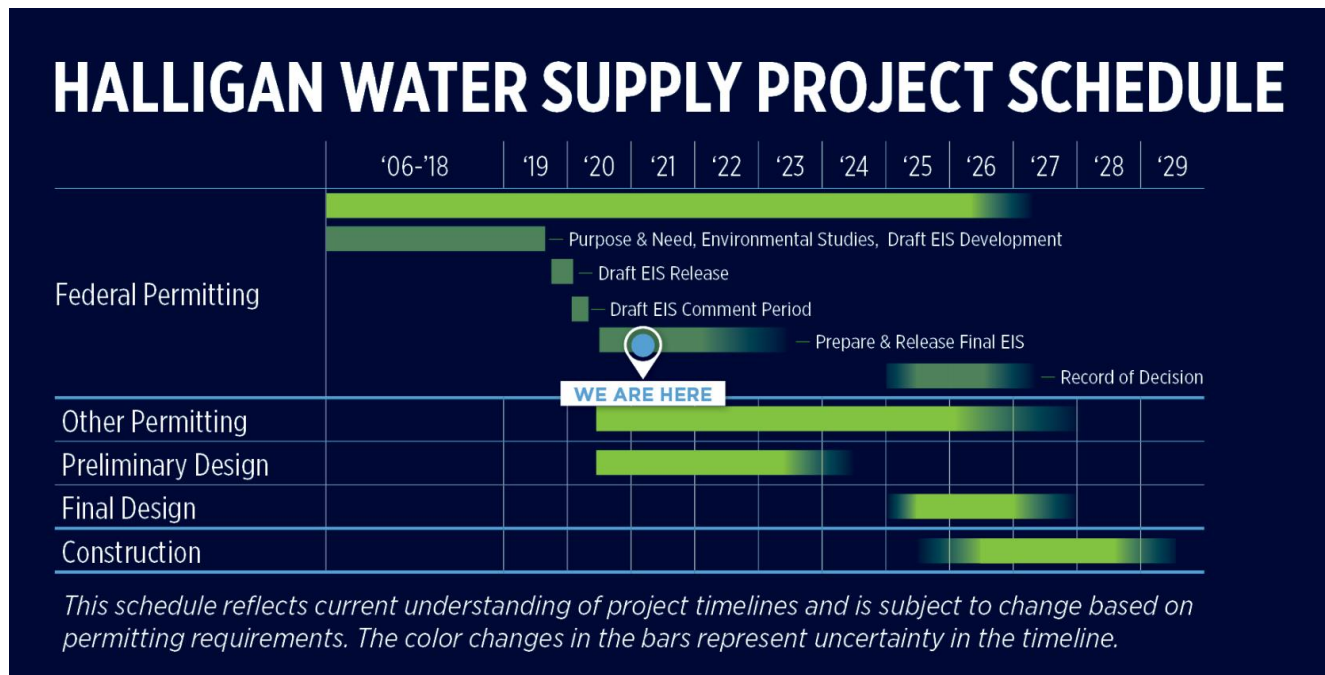
The state permitting processes that began in 2020 will require additional analyses beyond those conducted by the U.S. Army Corps of Engineers (Corps) for the EIS. These will add two additional years to the permitting schedule but will result in a more comprehensive understanding of the Halligan Project's impacts and benefits.

PROJECT SCHEDULE

The current project schedule (shown below and in Attachment 1) has been updated in two respects since it was last shared with City Council as part of a quarterly project update on Aug. 3, 2020. The schedule has been modified to reflect:

1. Additional time needed to perform analyses required to obtain a 401 Water Quality Certification
2. Schedule uncertainty inherent in a long-term project like the Halligan Project

Figure 1. Updated Halligan Water Supply Project schedule.



Additions to the Project Schedule

Water supply projects like the Halligan Project typically involve decades of environmental studies and permitting. Before construction of an enlarged reservoir can begin, the City of Fort Collins must first obtain local, state, county, and federal permits.

The Halligan Project reached its first major permitting milestone in late 2019 with release of the draft EIS by the Corps. The Corps is the lead permitting agency for the project and guides the timing and extent of the other required permitting efforts. State permitting processes can begin after release of the draft EIS, and as such the two state processes required for the Halligan Project began in 2020:

1. Fish & Wildlife Mitigation and Enhancement Plan
2. 401 Water Quality Certification

The State of Colorado performs a detailed analysis of the project related to impacts to fish, wildlife, and water quality. The federal EIS evaluates the impacts related to the Halligan Project and three other water supply alternatives. In addition to that effort, the state will look more closely at the Halligan Project by evaluating the impacts and benefits in more detail. This requires additional time for data collection and analyses, resulting in a more thorough understanding of the project's impacts and benefits and the opportunity to create a better overall project for the environment. The updated schedule shows two additional years of permitting prior to construction, due to these more detailed analyses.

Schedule Variability

The updated schedule format (shown in Figure 1) includes faded bars to indicate uncertainty in the schedule and capture a range of scenarios that could impact the overall schedule. The project schedule is driven predominantly by the permitting processes and Staff have limited control over those processes and schedules. Given the long-term nature of the project and the permitting steps remaining, the schedule will continue to be presented as a range of timeframes.

Schedule Impacts to Projected Costs

Additions to the schedule affect the overall project cost. Costs will increase due to time needed for additional analyses as well as construction cost escalation. Project costs were last updated in 2019 and communicated to City Council in a memo dated Aug. 26, 2019.

Enlarging Halligan Reservoir remains the most cost-effective water supply alternative for Utilities' customers. The project cost estimate will be updated again in 2022 after completion of 30% design. The updated estimate will be analyzed to verify that the Halligan Project remains the most reliable and cost-effective water supply project to meet the future demands of Utilities' customers. As noted in previous quarterly updates, costs are anticipated to change and likely grow as the project scope is refined and permitting requirements and design components are better understood through time.

Next Steps

Attachment 1 describes upcoming project activities. Quarterly updates will continue to be provided to City Council in 2021. If there are any questions about this update, contact Eileen Dornfest at 970-416-4296 or edornfest@fcgov.com.

Attachments:

Attachment 1: 2020 Year-in-Review

CC: Water Board

Lance Smith, Utilities Finance Director

Donnie Dustin, Water Resources Manager

Liesel Hans, Interim Deputy Director - Water Resources & Treatment Operations

Mark Kempton Interim Deputy Director - Water Resources & Treatment Operations

HALLIGAN WATER 2020 YEAR IN REVIEW SUPPLY PROJECT

STATE PERMITTING BEGAN



401 WATER QUALITY CERTIFICATION

- **Timeline:** 3-4 years
- **Lead:** Colorado Public Health and Environment
- **Focus:** Impacts to water quality
- Ongoing water quality sampling augmented to support analyses

GET INVOLVED

Application will be available for public review and comment



FISH AND WILDLIFE MITIGATION AND ENHANCEMENT PLAN

- **Timeline:** 1-2 years
- **Lead:** Colorado Parks & Wildlife
- **Focus:** Impacts to fish and wildlife

GET INVOLVED

Review the plan and comment at future CPW Commission meetings

More information about the state processes and opportunities for public participation will be provided over the upcoming years. Sign up for email updates at fcgov.com/halligan for notifications.

ENVIRONMENTAL IMPACT STATEMENT (EIS)

Lead: U.S. Army Corps of Engineers

NOVEMBER 2019

Draft EIS and Conceptual Mitigation Plan released

JANUARY 2020

Public hearing and open house



80 people attended



60 written & oral comments

Details: fcgov.com/halligan-comments

2021 OR 2022

Final EIS and Conceptual Mitigation Plan expected

GET INVOLVED

Final EIS will be available for public review and comment

PROJECT DESIGN

- Design engineer and construction contractor were hired
- Preliminary design activities began:
 - Field investigation: dam and foundation drilling & seismic survey
 - Preliminary design of major project components
- 30% design will be completed in 2022



Crews extract cores from Halligan Dam

RIGHT-OF-WAY AQUISITION

Fort Collins Utilities is working with landowners to acquire easements for three phases of the project.



STREAM GAGE INSTALLATION

Fort Collins Utilities partnered with the United States Geological Survey and Colorado Parks and Wildlife to install a new stream gage. The gage provides data about stream flows on the North Fork of the Poudre upstream of Halligan and will inform reservoir releases if Halligan is expanded.

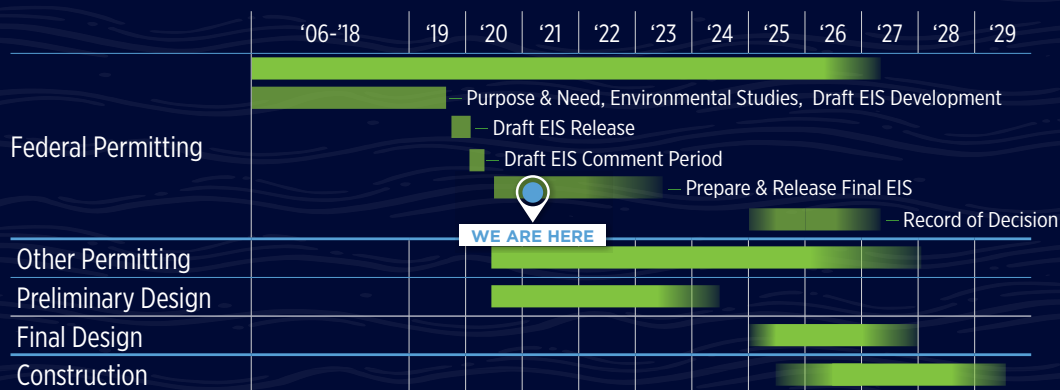
ECOLOGICAL RESOURCES

Ecological resource monitoring was conducted to obtain more detail about areas that may be impacted by the project and inform mitigation planning.

OUTREACH AND COMMUNICATION

Since January 2019, there have been approximately **285,000 CUSTOMER 'TOUCHPOINTS'** via website visits, ads, video views, newsletters, stakeholder communications, bill inserts, social media, events, and presentations.

PROJECT SCHEDULE



This schedule reflects current understanding of project timelines and is subject to change based on permitting requirements. The color changes in the bars represent uncertainty in the timeline.

COST

Based on current information, the project costs could vary between \$100M to \$150M.

Information from the preliminary design phase will be used to update the cost estimate in 2022.

Costs are anticipated to change and likely grow as permitting requirements and design are better understood.



HALLIGAN WATER SUPPLY PROJECT

Sign up online for periodic updates.
fcgov.com/halligan/2020



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