

HALLIGAN WATER UPDATE SUPPLY PROJECT



January 2019

BACKGROUND

If approved, the Halligan Water Supply Project would enlarge Halligan Reservoir, an existing reservoir on the North Fork of the Poudre River, to provide Fort Collins Utilities' water customers with a reliable future supply for emergency, drought and climate-change related uncertainties.

The project would expand the reservoir by about 8,100 acre-feet by increasing the height of the existing dam by 25 feet. For context, an average single-family home uses almost a third of an acre-foot of water each year (about 108,000 gallons).

Permits are required from the U.S. Army Corps of Engineers (Corps) and other federal and state agencies to enlarge Halligan Reservoir. Before issuing permits, the Corps will produce draft and final Environmental Impact Statements (EIS), that will be published for public review and comment. The EIS will describe the environmental impacts of the project, along with the environmental impacts of projects identified as alternatives to enlarging the reservoir.

2018 YEAR IN REVIEW

- **Draft EIS** – Portions of the draft EIS were written and present a summary of the technical work conducted to date, including:
 - a. the purpose and need for the Halligan Water Supply Project
 - b. a description and comparison of project alternatives
 - c. a description of environmental and cultural resources that could be affected by each alternative
 - d. direct and indirect effects of constructing each alternative
- **Development of mitigation and enhancement measures** – The City will issue a Conceptual Mitigation Plan with the draft EIS.
- **Reintroduction of greenback cutthroat trout** – Evaluation of the feasibility and cost of reintroducing greenback cutthroat trout, a “threatened” species, to the North Fork of the Poudre River as a possible project enhancement is ongoing.
- **Studies on wetlands and aquatic habitat** – Staff completed additional studies on wetlands and aquatic habitat along the North Fork, as required by the Corps. To facilitate these studies, the water level in Halligan Reservoir was drawn down about 6 feet in May.
- **Land acquisition and easements** – Staff began pursuing land acquisition and easements needed for the project.
- **Community Engagement and Communications Plan** – A Community Engagement and Communications Plan was created to guide public outreach efforts on the project in 2019.
- **Outreach** – Staff reached out to environmental groups and federal and state elected officials.

2019 PLANNED ACTIVITIES

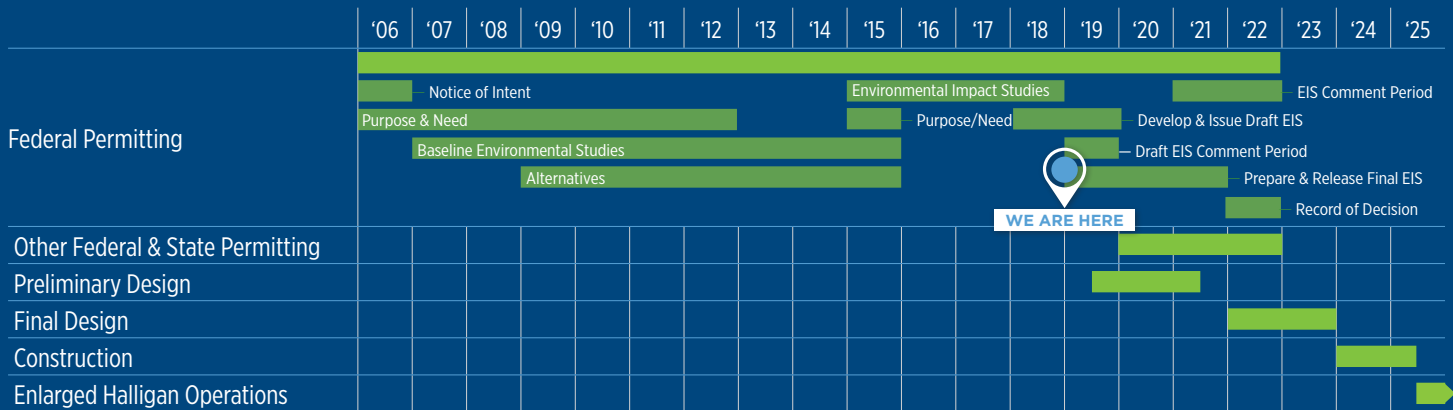
2019 will be a busy year as the project reaches a permitting milestone.

- **Draft EIS release** – All indications are that the federal permitting process is on track and a draft EIS is scheduled to be released in mid-2019.
- **Finalize documents** – Staff will finalize documents to be released with the draft EIS, including the Conceptual Mitigation Plan and the Operations Plan for the Halligan Water Supply Project.
- **Preliminary design** – Preliminary design activities will begin, including procuring the design team and initiating data collection and design activities needed to refine cost estimates.
- **Additional outreach** – Staff will provide public outreach through a website update in January and other targeted efforts.
- **State permits** – Consultation will begin with Colorado Parks & Wildlife and Colorado Department of Health and Environment on required state permits.



PROJECT SCHEDULE

Release of the draft EIS is currently anticipated in **mid-2019**. Construction could begin as early as 2023. Other project milestones are shown in the timeline below.



Project schedule is dependent on permitting schedule and subject to change.

ANTICIPATED COST

The current total estimated cost of the project is \$74.1 million, based on an updated 2018 cost estimate. A breakout of costs is provided in the table to the right. Most of the cost is related to permitting, mitigation and construction.

Although current cost estimates indicate a total project cost of \$74M, standard practices indicate costs could vary significantly due to the conceptual nature of the project. Costs of the project will continue to be refined as additional information is obtained and project requirements are further defined. The next cost estimate update will be performed in 2019 after refining land acquisition and mitigation needs. Costs will again be updated in 2020 after preliminary design is complete.

Although costs of the Halligan Project will continue to be updated as new information is obtained, it continues to be a cost-effective project for meeting the City's water supply needs. The project is currently anticipated to provide firm yield at a cost of about \$9,000 per acre-foot. For comparison, the market rate for firm yield from the Colorado-Big Thompson (CBT) Project is approximately \$60,000. Unit costs of the Northern Integrated Supply Project (NISP) and Windy Gap Firming Project are currently \$27,500 and \$19,000 per acre-foot, respectively.

EXPENSES (\$M) ¹			
	To Date ²	Future	Total
Acquisition	\$3.3	\$0.3	\$3.6
Permitting & Mitigation	\$12.9	\$8.1	\$21.0
Construction	-	\$31.3	\$31.3
Debt Service ³	\$1.9	-	\$1.9
Risk Mitigation/Contingency	-	\$16.3	\$16.3
Total	\$18	\$56	\$74.1

ESTIMATED FINAL UTILITY COST (\$M)			
	To Date ²	Future	Total
Project Costs	\$18.1	\$56.0	\$74.1
Less Reimbursements ⁴	(\$4.6)	(\$0.1)	(\$4.7)
Total⁵	\$13.5	\$55.9	\$69.4

APPROPRIATIONS (\$M)			
	To Date ²	Future	Total
Past Appropriations	\$37.4	-	\$37.4
Required Future Appropriations	-	\$36.7	\$36.7
Total	\$37.4	\$36.7	\$74.1

1. Future expenses include escalation through 2023 in each line item. **Future expenses are expected to change as new project information is obtained.** Line items may not sum to total due to rounding.
2. Life-to-date project costs through December 2019.
3. Debt service payments from 2004-2014 were allocated as Halligan Water Supply Project expenses. Future debt service payments will not be a project cost.
4. Reimbursements were received from former project partners (North Poudre Irrigation Co. and the Tri-Districts) between 2005-2014; miscellaneous reimbursements have been and will be collected from the City of Greeley and future rents. Reimbursements for project expenses require Council action to be reappropriated to the project budget.
5. Total cost includes debt service and deducts reimbursements.

For more information, visit fcgov.com/halligan

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