

HALLIGAN WATER UPDATE SUPPLY PROJECT



September 2022

BACKGROUND

The Halligan Water Supply Project would enlarge Halligan Reservoir, an existing reservoir on the North Fork of the Poudre River, to meet the demand of future Fort Collins Utilities' water customers and provide increased reliability for existing customers in the event of emergencies, drought and climate change uncertainties. The project would expand the reservoir by about 8,200 acre-feet. For context, an average single-family home in Fort Collins uses just over a quarter of an acre-foot of water each year (about 85,000 gallons).

The project reached a milestone in November 2019 after many years of hard work, when the draft Environmental Impact Statement (EIS) was released. The final EIS will likely be released in 2023.

Permits are required from the U.S. Army Corps of Engineers (Corps) and other federal, state and county agencies to enlarge the Reservoir. Staff continue to support preparation of a final EIS by the Corps. Additionally, staff are currently working through other permitting processes, including the Fish and Wildlife Mitigation and Enhancement Plan (FWMEP) and 401 Water Quality Certification with the State of Colorado, in addition to U.S. Fish and Wildlife Service requirements.

PROGRESS UPDATE

Resourcing and Schedule

- Work continues to resource two permanent and one contractual positions that have been fully or partially vacated in recent months. A Project Lead posting closed July 18.
- Utilities leadership are shifting to a design-bid-build contracting structure to increase the potential for outside funding. This change away from the alternative project delivery system (APDS) involved termination of the construction contractor following 30% design. Please note there were no performance issues with the construction contractor.
- Current project staffing transitions may cause project delays; however, remaining staff are working hard to advance critical permitting and design efforts and minimize schedule delays.

Permitting and Mitigation

- The Corps is preparing the final EIS, which includes information learned during engineering design and updated technical studies, and addresses comments received on the draft EIS (release anticipated in 2023).
- Staff are working with Colorado Parks and Wildlife to develop concepts for the FWMEP to avoid, minimize, and offset project impacts (anticipated completion in 2023).
- Staff are working closely with U.S. Fish and Wildlife Service to finalize a mitigation plan for the threatened Preble's meadow jumping mouse (anticipated completion in late 2022).
- Staff continue to work toward development of an application for a 401 Water Quality Certification from the Colorado Department of Public Health and Environment. Modeling for this effort will continue through 2023.

Property Acquisition and Easements

- Staff continue to work toward easement agreements by negotiating the terms of a global settlement for the primary (east) access road for Phases 1-3 (design, construction and post-construction); a trial is scheduled for the week of Oct. 31 if settlement discussions are not successful.

- A late September trial slated to resolve Phase 1 access to the North Poudre Canal diversion has been postponed as staff negotiate a potential global settlement for Phase 1-3 on that property as well.
- The recent Council approval of an umbrella agreement with the Landowners Association of Phantom Canyon Ranch addresses property needs from most of the landowners for Phase 1 of the project and sets up an effective framework for further negotiations during Phases 2 and 3.

Design and Construction

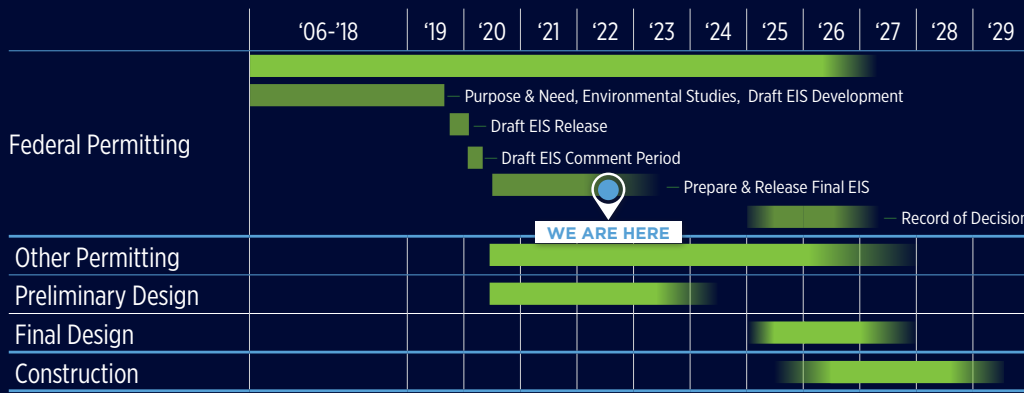
- 30% design has been completed and reviewed by an independent Technical Advisory Committee and the State Engineer's Office.
- Additional site data collection is planned for spring 2023 to aid in development of the 60% design. This will be the most intense field investigation to date.
- Recent heavy rains and localized flash floods damaged the east access road, including areas around the existing dam. Road conditions are being assessed and repairs are planned for early October.

Public Engagement and Communication

- The FWMEP and the 401 Water Quality Certification both include a public process. More information about those processes will be forthcoming as that timeframe approaches.
- The final EIS release by the Corps does not involve a request for public comments because this was a focus of the 2019 draft EIS.



HALLIGAN WATER SUPPLY 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.

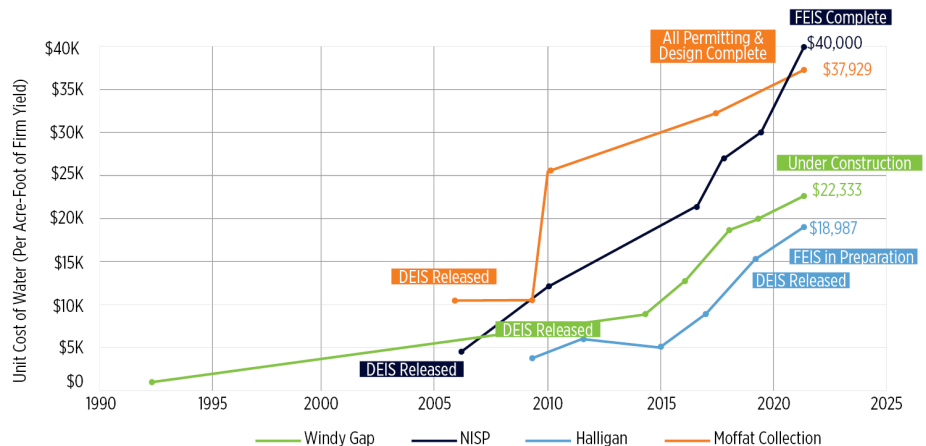
ANTICIPATED COSTS

Staff are working on a project cost update based on the 30% design and significantly advanced information related to permitting, mitigation, property acquisition costs and risk. This cost update will include materials, labor, and fuel costs in 2022 dollars, capturing best available information following global increases. As required, updated costs will be provided to the Corps and Colorado Parks and Wildlife for incorporation into the Final EIS and FWMEP, respectively.

In 2019, the total project cost was estimated to be between \$100M - \$150M, based on concept-level details. The cost estimate was presented as a range to reflect uncertainties about the project schedule, environmental permitting and mitigation requirements, access needs, and conceptual nature of the design. Costs are predominantly influenced by factors outside of the City's control, such as the permitting schedule and requirements. **Current information indicates the costs will exceed the upper end of this range, but detailed information will not be available until early 2023.**

Using the high end of the most recent projected (2019) cost range (\$150M), the project is anticipated to provide firm yield at about \$19,000 per acre-foot. For comparison, the market rate for firm yield from the Colorado-Big Thompson Project is up to \$140,000 per acre-foot. **The graph to the right shows the cost of water supply projects in Northern Colorado (per acre-foot of firm yield), indicating that Halligan is the most cost-effective option on a unit cost basis.**

Regional Water Supply Projects Unit Cost through Time



Costs shown for other projects were information gathered at that time and may not represent actual cost estimates.

Costs will continue to be updated as new information is obtained throughout the permitting and design process. In 2023, staff will review updated cost estimates and other dependent and independent metrics to verify that the Halligan Project remains the most cost-effective and feasible water supply solution for Utilities' customers. **In the meantime, staff continue to focus on those items the City can influence or control, such as identifying and mitigating risks, value engineering, and disciplined spending practices.**

HOW THE PROJECT RELATES TO COUNCIL PRIORITIES



Provides the resiliency needed to maintain the level of service expected by customers.



Protects and enhances instream river flows.



Improves and accelerates stream/riparian restoration.

For more information, visit fcgov.com/halligan, call 970-416-4296 or email halligan@fcgov.com.

Auxiliary aids and services are available for persons with disabilities, V/TDD 711. Esta información puede ser traducida, sin costo para usted, 970-212-2900.

