



City Manager's Office  
300 Laporte Ave  
PO Box 580, Fort Collins, CO 80522


970-221-6684  
rvenkatesh@fcgov.com

## MEMORANDUM

Date: February 22, 2024

To: Mayor and City Councilmembers

Through: Kelly DiMartino, City Manager 

From: Rupa Venkatesh, Assistant City Manager 

Subject: Feb. 13, 2024 Work Session Summary: Council Priority Setting Session #2

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### BOTTOM LINE

The purpose of this memo is to document the summary of discussions during the Feb. 13 Work Session. Mayor Arndt, Mayor Pro Tem Francis and Councilmembers Gutowsky, Pignataro, Canonico, and Potyondy were present in person. Councilmember Ohlson participated remotely.

### DISCUSSION SUMMARY

Staff provided Council a high-level overview of the process utilized during the Council Retreat on Jan. 27 which resulted in proposed priority titles and problem/definition statements. Council provided feedback on staff's framing of the proposed priorities. Questions were raised how individual inputs would be tracked and it was clarified that Council would first be approving the priority titles and definition statements. Once approved, staff will schedule work sessions as needed with Council regarding specific actions to achieve these priorities.

Council requested that consideration of the approved priorities be brought forward sooner than March 19 and there was consensus to consider each proposed priority with a separate resolution.

### NEXT STEPS

The proposed priority titles and definition statements will be revised based on Council feedback received. Council will consider adoption of priorities during a Council adjourned meeting on Feb. 27, 2024. Staff will have further discussion with Council on how to accomplish approved priorities during subsequent work sessions. In addition, Council will receive a memo concerning the bike rack items at a later time.

### FOLLOW-UP ITEMS

During the Council retreat, one Councilmember provided the input "improve access to give (charitably)" under the human and social health proposed priority that was left off the proposed



Council priorities table that was provided as an attachment to this item. It will be added as an “input” that staff may consider. Should the proposed priority, “Improve Human and Social Health for Vulnerable Populations” be approved by Council, staff will have further discussion with Council on how to achieve this priority.

**City Manager's Office**

City Hall  
300 LaPorte Ave.  
PO Box 580  
Fort Collins, CO 80522

**970.221.6505**  
970.224.6107 - fax  
fcgov.com

## WORK SESSION MEMORANDUM

Date: February 20, 2024

To: Mayor and City Councilmembers

Through: Kelly DiMartino, City Manager *LD* <sup>DS</sup>  
Tyler Marr, Deputy City Manager *TM* <sup>DS</sup>

From: Travis Storin, Chief Financial Officer *TS* <sup>DS</sup>  
Ginny Sawyer, Project & Policy Manager *GS*

Subject: Work Session Summary, February 13, 2024 – Tax Renewals

### BOTTOM LINE

The purpose of this memo is to document the summary of discussions during the February 13, 2024 Work Session. All Councilmembers were present with Councilmember Olson attending remotely.

Staff provided context on current tax rates, historical dedicated sales tax measures, traditional uses of both the Street Maintenance Program (SMP) ¼- cent and the Community Capital Improvement (CCIP) ¼- cent tax. A timeline was outlined that included work sessions with the full Council in February, April, June, and July with Council Finance Committee meetings scheduled in March and May. It was noted that ballot adoption is scheduled for August 20.

Referring these renewals in 2024 allows an additional ballot cycle prior to expiration should either not be renewed.

### DISCUSSION SUMMARY

Main discussion points and questions included:

- Could we/should we consider running the SMP tax for a longer term. General consensus was that this may make sense since road maintenance is an on-going need. A gap in funding was noted but extending the term of the tax may be more acceptable than increasing the amount of the tax.
- Continued encouragement to leverage our dollars as much as possible against federal grants and other monies.
- Clarification was provided on what may fall under the new 2050 tax as opposed to the CCIP tax. Staff will pay attention to these as the project list evolves.
- Question as to whether Council Priorities could be funded through these taxes: yes, Council Priorities can be put forward in the CCIP package. Moreover, it is important to note that these renewals would not be in place until 2026 should they be renewed.
- Questions and suggestions were made regarding annexed areas of the City and possible deficiencies in transportation infrastructure that might be addressed.



## NEXT STEPS

There was support for the engagement and timeline presented. Council Finance Committee will continue the conversation in March and the item will be back to the full Council on April 23, 2024.

## FOLLOW-UP ITEMS

There was a question regarding annexed streets that are below City standards. The cost estimates provided in the Tax Renewal presentation to maintain a Level of Service B Pavement Condition ***do not*** include anticipated maintenance costs of annexed streets. Staff is preparing a more detailed memo about the maintenance level and condition of annexed streets. This memo will include the policy regarding accepting annexed roads for City maintenance.

There was a request for a memo to outline lessons learned from previous tax initiatives. Staff will provide this in the next few weeks.





**Utilities**

electric • stormwater • wastewater • water  
222 Laporte Ave.  
PO Box 580  
Fort Collins, CO 80522-0580

**970.212.2900**

V/TDD: 711  
utilities@fcgov.com  
fcgov.com/utilities

## WORK SESSION MEMORANDUM

Date: February 19, 2024

To: Mayor and City Councilmembers<sup>DS</sup>

Through: Kelly DiMartino, City Manager<sup>DS</sup>  
Tyler Marr, Deputy City Manager/Interim Utilities Executive Director<sup>DS</sup>

From: Alice Conovitz, Utilities Water Conservation Specialist<sup>DS</sup>  
Mariel Miller, Utilities Water Conservation Manager<sup>DS</sup>

Subject: February 13, 2024, Work Session Summary: 2024 Water Efficiency Plan Status

### BOTTOM LINE

The purpose of this memo is to document the summary of discussions during the February 13, 2024, Work Session. All Councilmembers were present (Councilmember Ohlson attended remotely). Staff members present were Mariel Miller, Alice Conovitz, and Gretchen Stanford. Staff member Donnie Dustin attended remotely.

The purpose of this item was to describe the state-mandated Fort Collins Utilities (Utilities) Water Efficiency Plan (WEP) and the 2024 update process. The updated WEP will set conservation goals, incorporate extensive public engagement focusing on marginalized community members, and employ numeric modeling and an equity analysis to help prioritize future water conservation and efficiency strategies. Potential strategies include rate structures, education, voluntary incentives, regulations, and standards. The staff presentation and Agenda Item Summary also provided background on water conservation and efficiency and Utilities' work to manage water demand to provide a reliable water supply. Staff sought input from Council on the following two questions:

1. What is Council's vision for the Water Efficiency Plan and how it addresses water conservation and efficiency?
2. What does Council need to know from our engagement, equity, analysis, and water demand modeling efforts?

### DISCUSSION SUMMARY

Council provided feedback and comments, including the following (Council-requested follow-up items are listed separately):



- Providing input on a plan that doesn't extend to all of Fort Collins, but only to the Utilities Water Service Area is challenging. Council asked about neighboring water providers' WEPs and whether they were available to review. Generally, these can be found online either through the Colorado Water Conservation Board or the specific water providers' websites.
- Better understanding of water use based on housing type is helpful for understanding and making development decisions.
- Utilities is pursuing multiple strategies, especially adequate water storage and conservation/efficiency, to prepare for climate change and its impacts.
- It would be helpful to know how we're doing, and to inform the development of future goals, if we could easily compare Fort Collins Utilities water service area's water use to other communities or had some sort of benchmark. Staff responded that we could provide some examples, and acknowledged that gallons per capita, per day (GPCD) is a challenging metric to use for comparisons because it is not measured consistently amongst water providers. GPCD metrics for residential and commercial uses can also be challenging to understand and compare.
- The total estimated annual water savings in 2022 seems small, at about 2.5% of our total treated water. However, staff clarified that this volume includes the savings from about only 16 programs and services that are quantifiable – the Water Conservation Department also implements activities such as education that likely provide water savings but are challenging to measure. The annual savings estimation is also not cumulative, but only a snapshot of new savings initiated each year. Many programs, such as converting to a water-wise landscape, have ongoing year-after-year savings that are not included in the annual savings estimate.
- Staff responded to other questions that were asked about working with school-aged children, businesses, the volume of Halligan Reservoir and location of additional Utilities water storage.
- Council liked the community-outreach approach, but questions how staff will reach marginalized community members in a meaningful way given challenges and over-surveying concerns. Staff will emphasize listening and will work with contracted equity consultants, experienced internal staff, and compensated community consultants who are well connected to various groups in the community and can tailor the engagement to what works best for a particular group.
- Utilities' current tiered pricing structure could be re-evaluated as a conservation strategy.
- When prioritizing strategies and weighing decisions, it is helpful to understand the impact on equity and potential benefits, similar to how Our Climate Future evaluates next moves.
- Council asked about what prompted the work and when it will be complete. Staff responded that the plan is state-mandated and is required to be updated every seven years, with an estimated completion date of Dec. 2024. A plan with a clearer path forward that includes updated goals and prioritized strategies is needed for Utilities and Water Conservation staff to address future risks such as climate change more strategically.
- Concerns regarding impacts to revenue were shared and are being addressed by staff; however, the revenue impact is minimized by the base rate and could be further



addressed through adjustments to the current tiered rate pricing structure to limit impacts to low water users.

- One councilmember mentioned a vision for the WEP to be comfortable, but ambitious, in setting goals and identifying strategies.

## **NEXT STEPS**

Staff will respond to the follow-up items listed below in a separate memo expected in March. Other next steps include continuing engagement activities with the public and other staff to inform the WEP planning process through Q3 2024 and finalizing the water demand estimation model. A second work session is currently planned with Council for July 9, 2024, to provide an update on the planning process and seek further direction.

## **FOLLOW-UP ITEMS**

The following items, requested by Council, will be addressed in a separate follow-up memo:

- Per unit water use (indoor and outdoor) by housing type
- Neighboring water providers' WEPs
- Comparisons to other communities' GCPD, separating residential and commercial, where feasible; and evaluate why there are differences, to better understand and learn from others who are doing it well.
- Utilities water rate comparisons across various customer types, to evaluate industry rates.
- Water savings associated with xeriscape standards.

**CC:** Gretchen Stanford, Utilities Deputy Director Customer Connection






Utilities  
222 Laporte Ave.  
PO Box 580, Fort Collins, CO 80522

## WORK SESSION MEMORANDUM

Date: March 25, 2024

To: Mayor and City Councilmembers

Through: Kelly DiMartino, City Manager   
Tyler Marr, Deputy City Manager/Interim Utilities Executive Director   
Gretchen Stanford, Utilities Deputy Director Customer Connections 

From: Alice Conovitz, Utilities Water Conservation Specialist   
Mariel Miller, Utilities Water Conservation Manager 

Subject: Follow-up to Feb. 13, 2024 Work Session: 2024 Water Efficiency Plan Status

### BOTTOM LINE

The purpose of this memo is to provide follow-up information in response to questions raised during the Feb. 13, 2024 Work Session on the 2024 Water Efficiency Plan (WEP). All Councilmembers were present with Councilmember Ohlson attending remotely. A summary of the discussion was documented in a Work Session Memorandum dated Feb. 19, 2024 with subject line, "February 13, 2024 Work Session Summary: 2024 Water Efficiency Plan Status".

The purpose was to describe the state-mandated Fort Collins Utilities (Utilities) WEP and the 2024 update process. The 2024 WEP will set conservation goals, incorporate extensive public engagement focusing on marginalized community members, and employ numeric modeling and an equity analysis to help prioritize future water conservation and efficiency strategies. Potential strategies include rate structures, education, voluntary incentives, regulations, and standards. The staff presentation and Agenda Item Summary also provided background on water conservation and efficiency and Utilities' work to manage water demand to provide a reliable water supply.

The following items, requested by Council, are addressed in this memo:

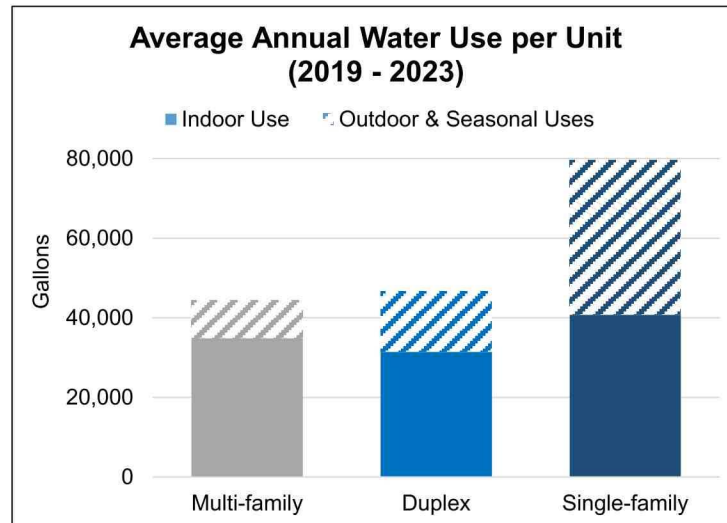
1. Per unit water residential water use by housing type.
2. Water Efficiency Plans for neighboring water providers.
3. Water use comparison to other communities.
4. Utilities water rate comparisons across customer types.
5. Water savings associated with xeriscape standards.

### ITEM #1 – PER UNIT RESIDENTIAL WATER USE BY HOUSING TYPE

Average annual water use per unit is greatest for single-family customers, who used approximately 78,600 gallons per housing unit on average, as shown below on the plot. The amount of water use per unit is similar between duplex and multi-family customers, averaging approximately 46,300 gallons per unit and 44,400 gallons per unit, respectively. On an average per-unit basis, seasonal outdoor uses account for 49% of single-family residential water use, but



only 33% for duplex and 21% for multi-family residential customers. These patterns reflect the generally higher amount of irrigated outdoor landscapes associated with single-family and duplex residential accounts<sup>1</sup>. Additionally, the average number of people per household (pph) varies across housing types, which primarily influences indoor use. We estimate the average occupancy per unit is 2.6 persons per household (pph) for single-family residential, 2.2 pph for duplex, and 1.6 pph for multi-family residential, based on analysis of 2021 U.S. Census Bureau data for the entire city of Fort Collins.



## ITEM #2 – WATER EFFICIENCY PLANS FOR NEIGHBORING WATER PROVIDERS

Within the city of Fort Collins' growth management area, Utilities, East Larimer County (ELCO), and Fort Collins-Loveland Water District (FCLWD) each must submit water efficiency plans<sup>2</sup>. The following bullets summarize key information about these plans:

- Utilities: Update is underway with intent to submit update to CWCB in late 2024. The current WEP was completed in 2015 and is available at <https://www.fcgov.com/WEP>
  - The current WEP sets a goal to reduce community-wide per capita water use to 130 gallons per capita per day by the year 2030; however, this goal is being re-evaluated.
- ELCO: The latest WEP was updated in 2016 and is available at [https://dnrweblink.state.co.us/CWCB/0/edoc/202185/ELCO\\_WEPanUpdate2017.pdf?searchid=1914c118-df55-45bf-a6c6-0c2e1ad3c877](https://dnrweblink.state.co.us/CWCB/0/edoc/202185/ELCO_WEPanUpdate2017.pdf?searchid=1914c118-df55-45bf-a6c6-0c2e1ad3c877)
  - ELCOS's WEP set a goal to reduce treated water demands by 740 acre-feet per year by 2035, as compared to predicted use based on passive water demand

1. For multi-family properties with large irrigated common areas, these may be billed at commercial rate codes. In 2023, annual water use was 21% lower than average for irrigation-only accounts, which includes commercial and residential common areas.

2. The Water Conservation Act of 2004 (HB04-1365) requires all retail water providers that sell 2,000 acre-feet or more annually to have a state-approved water efficiency plan.

management.

- FCLWD: The latest WEP was submitted in 2023 and is available at <https://fclwd.com/wp-content/uploads/2023/07/FCLWD-2023-Water-Efficiency-Plan-Update-for-Public-Review-1-1.pdf>
  - FCLWD's WEP set targeted water savings goals by customer class to lower the treated water demand by 10% over the ten-year planning period, or by approximately 1% per year.

Other water efficiency planning documents can be found on individual websites or the searchable water conservation plan database (<https://dnrweblink.state.co.us/CWCB/CustomSearch.aspx?SearchName=WaterConserverPlanSearch&cr=1>) hosted by the Colorado Water Conservation Board (CWCB), the state agency that reviews and approves WEPs.

### ITEM #3 – WATER USE COMPARISON TO OTHER COMMUNITIES

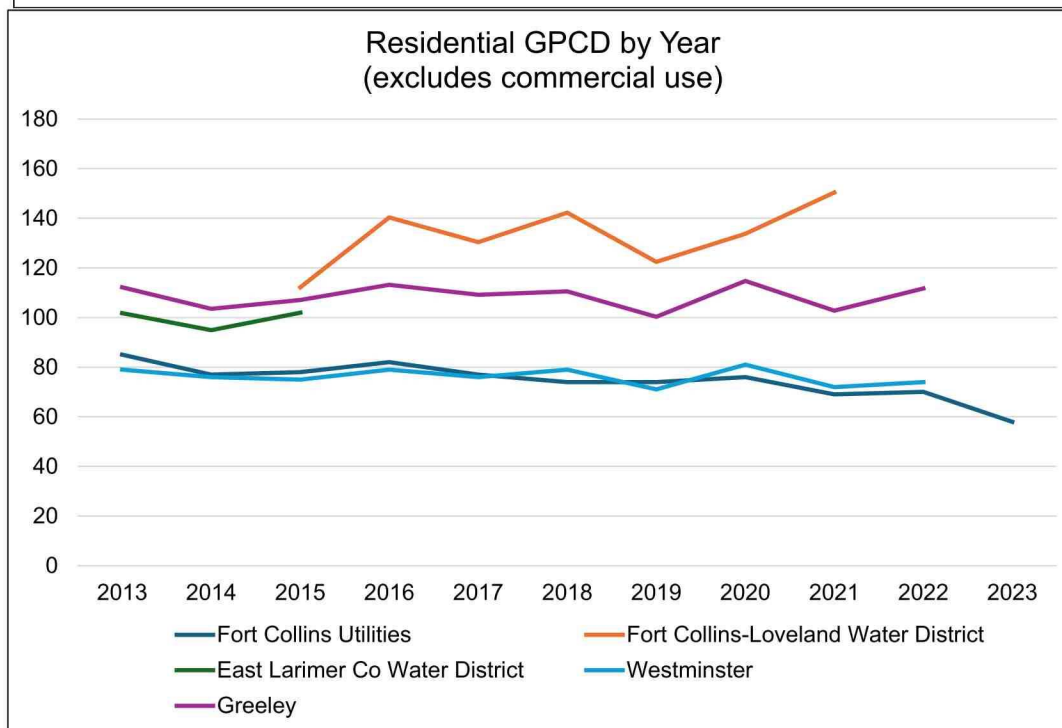
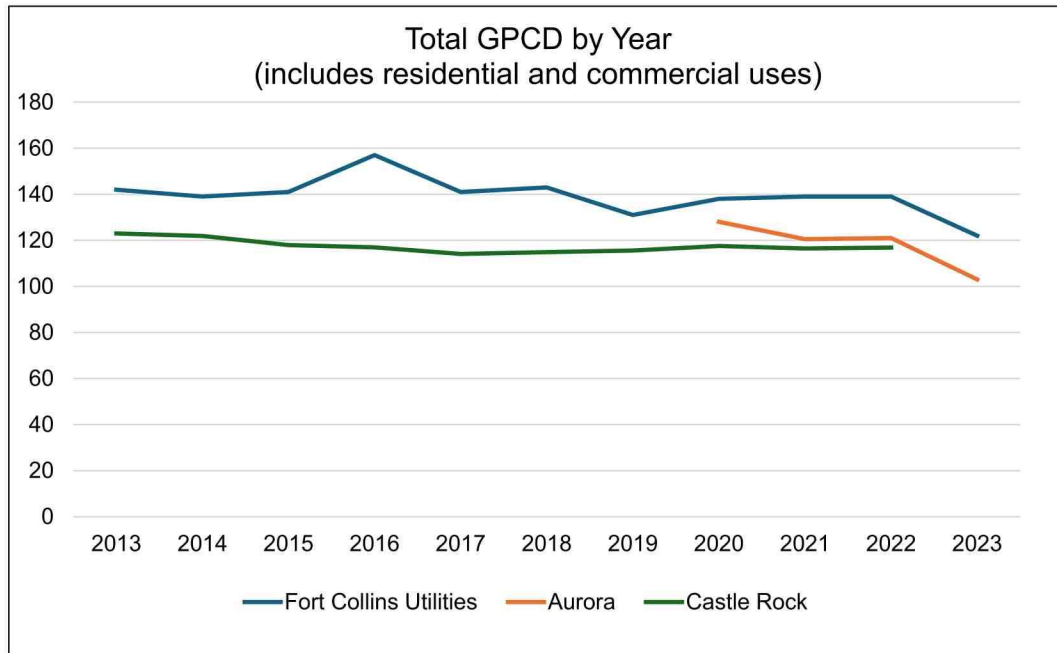
Gallons per capital per day (GPCD) is a common metric used by water providers to evaluate water use independent of population growth. The calculation is typically done annually and can measure total, residential or commercial GPCD. Annual GPCD is calculated as: *volume of annual water demand, divided by population served, divided by number of days in a year.*

GPCD is not typically weather-normalized, which means it will vary across years and climates. Even in areas with similar climates there is variability in the methodology used to calculate GPCD, making it challenging to use as a comparison tool between water providers. The variability or differences happen in the first two values of the equation – volume of water and population. Variations in how water providers define volume of water include total treated water, total billed consumption, total metered consumption, inclusion of untreated water, and inclusion/exclusion of large contractual deliveries to commercial customers. Population estimates can also vary based on data availability and population estimate methods. These inconsistencies all influence GPCD and should be considered when comparing GPCD between water providers. However, if using GPCD to compare, the best option is to use residential GPCD and highlight the differences in the data used.

The final estimation of Utilities' 2023 water demand is 122 GPCD (this is lower than the preliminary estimate presented at the Feb. 13, 2024 Council Work Session, which was initially estimated at 132 GPCD). This is a decrease of 12% from the 2022 demand of 139 GPCD. The drop in GPCD is due to a 123% increase in precipitation during irrigation months compared to prior years. Customers responded to the weather and reduced their outdoor use, but 2023's low GPCD is not likely to persist during drier or hotter years.

Staff researched others' historical GPCD from current WEPs and discussed GPCD in more depth with three other water providers who responded to a request for more information. A few providers we researched and contacted are using GPCD as a performance metric or goal in their WEPs and many consider it a poor tool for comparison purposes, especially when commercial use is included. Some providers were reluctant to provide their numbers. The plots below present GPCD for residential use (upper plot) for those water providers and years that residential-only data was available, and total use (lower plot; total GPCD includes both residential and commercial use) for those that did not have residential data available. (For total

GPCD, calculation variabilities include those described above, as well as the use of raw water, excluding large industrial water use from total GPCD and differences in the amount of commercial water use versus residential use – some communities have relatively very little commercial use.)





Staff recommends moving away from a GPCD goal in the updated WEP as a publicly facing metric, given its complexity and variability. It’s likely Utilities would continue to track GPCD internally to monitor for trends. A better goal or performance metric may be volume of water treated and/or metered, or volume of water reduced over a given period. A simplified volume-based metric, such as a reduction in total water use or estimated water savings, would align better to predicted and estimated water savings from conservation and efficiency strategies, which are also expressed as volumes. A simplified metric would minimize public confusion about what GPCD means and its nuances.

**ITEM #4 – UTILITIES WATER RATES COMPARISONS ACROSS CUSTOMER TYPES**

Utilities is committed to delivering safe, reliable and competitively priced services for all customers. Single-family and duplex water rates have a base charge and three tiers, with increasing costs-per-gallon as use goes up. Multi-family residential and commercial customers have lower rates in winter. Commercial rates are based, in part, on tap size. Current Utilities’ water rates for all customer types are available online at [https://www.fcgov.com/utilities/img/site\\_specific/uploads/water-wastewater-and-stormwater-rates.pdf?1704235735](https://www.fcgov.com/utilities/img/site_specific/uploads/water-wastewater-and-stormwater-rates.pdf?1704235735).<sup>3</sup>

Utilities’ residential water rates are similar to, or lower than, neighboring municipalities, as shown in the following table:

2024 Residential Average Monthly Utility Bill					
Utility	Electric	Water	Wastewater	Stormwater	Total
Fort Collins Utilities	\$ 88.41	\$ 53.04	\$ 37.04	\$ 23.09	\$ 201.58
Longmont	\$ 82.56	\$ 69.33	\$ 41.33	\$ 18.85	\$ 212.07
Loveland	\$ 89.76	\$ 61.16	\$ 43.04	\$ 24.88	\$ 218.84
Greeley	\$ 100.63	\$ 73.90	\$ 36.99	\$ 18.61	\$ 230.13
Colorado Springs	\$ 99.92	\$ 96.95	\$ 30.53	n/a	\$ 227.40
Boulder	\$ 100.63	\$ 66.72	\$ 48.43	\$ 27.10	\$ 242.89
ELCO	n/a	\$ 58.24	n/a	n/a	n/a
FCLWD	n/a	\$ 61.93	n/a	n/a	n/a

**ITEM #5 – WATER SAVINGS ASSOCIATED WITH XERISCAPE STANDARDS**

A well-managed landscape built with xeriscape principles – one of which is limiting turf – can yield significant water savings when compared to typical turf-heavy landscapes. Water use data for participants in the Utilities Xeriscape Incentive Program (XIP) show that limiting high-water turf reduced water use by an average of seven gallons per square foot per year for areas converted from turfgrass to xeriscape, or about 60% less water.

<sup>3</sup> Detailed water rate information for FCLWD is available online at <https://fclwd.com/support/rates-and-fees/>. ELCO’s water rates are available at <https://www.elcowater.org/rate-information>.



Turf replacement programs like XIP and development landscape standards reduce current and future water demands. Staff scheduled a hearing in May 2024 for code changes that propose new standards that prioritize water-wise landscapes. If adopted, these new standards would apply to commercial and multi-family development and redevelopment, which include large common areas like those maintained by homeowners' associations. To reduce outdoor water demand, staff will propose that no more than 30% of the total landscaped area (not to exceed 10,000 square feet) in new and redeveloped commercial and multi-family properties be planted with high-water turfgrass species.

Using the criteria of the proposed standard, staff analyzed property and water use data, and several development scenario assumptions. Staff estimate the proposed standard would save at least 53 million gallons annually on multi-family properties alone at GMA build-out compared to no turf limitations. If adopted, the portion of water savings associated with new and redevelopment in the Utilities water service area could help make progress towards a future WEP goal.

Given the variability of business types and unpredictability of future development trends, non-residential commercial property water reduction estimates are more difficult to capture and therefore were not included. It is assumed that if the new standards are adopted, commercial landscapes would achieve a 60% reduction in future water use compared to water use trends seen with current landscapes. The Urban Landscape Conservation Task Force reiterates this challenge in their final report published in Jan. 2024, pointing out the many factors that make predicting water savings for regulations so difficult. Regardless, there is consensus amongst task force and water conservation professionals state and national that one effective way to reduce water use is to reduce new turf installation.<sup>4</sup> City staff anticipate the water demand model that is being developed for the WEP update to be able to provide more comprehensive water demand estimates for this and other strategies.

## **NEXT STEPS**

Staff will continue to work on the WEP update. Ongoing and upcoming actions include continuing engagement activities with the public and staff to inform the planning process and finalizing the water demand estimation model. A second Council Work Session is currently planned for July 9, 2024, to provide an update on the planning process and seek further direction.

## **Attachments:**

1. Work Session Memorandum: February 13, 2024 Work Session Summary: 2024 Water Efficiency Plan Status
2. Work Session Agenda Item Summary: 2024 Water Efficiency Plan Status
3. 2024 Urban Landscape Conservation Task Force Final Report

**CC:** Gretchen Stanford, Utilities Deputy Director Customer Connections

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<sup>4</sup> 2024 Urban Landscape Conservation Task Force Final Report