



August 3, 2020

Sent via email to [datteberry@fcgov.com](mailto:datteberry@fcgov.com)

Mr. Darin Atteberry, City Manager  
City of Fort Collins  
City Hall West  
300 LaPorte Avenue  
Fort Collins, CO 80521

Subject: Advancing NISP While Incorporating Input from the City of Fort Collins

Dear Darin:

As you are aware, planning and developing water supplies for the future of Northern Colorado takes extended time and flexibility. On behalf of the participants of the Northern Integrated Supply Project (NISP) Water Activity Enterprise, Northern Water has been advancing the many concepts embodied within the NISP Project (Project) for nearly 20 years. In the not-too-distant future, Northern Water anticipates the receipt of additional permits and approvals that further advance the Project's goal of meeting its defined purpose and need.

From the Project's onset, Northern Water has demonstrated a willingness to refashion aspects of the Project's anticipated configuration and operations to lessen its environmental impact and be responsive to public input while still achieving its primary objective. As a notable example, the original configuration of NISP (circa 2004) provided no supplemental flows back to the Cache la Poudre (Poudre) River. Additionally, the "first generation" NISP design contemplated a connecting pipeline from Glade Reservoir to Horsetooth Reservoir, which concerned the City of Fort Collins (City) as related to water quality implications. In 2016, with the encouragement of many, including the City, Northern Water agreed to re-plumb certain aspects of the Project's delivery system, which eliminated the Glade-to-Horsetooth pipeline and now allows for approximately 14,000 acre-feet per year of the Project's real-time, year-round deliveries to be released to the Poudre River near the proposed Glade Reservoir. The supplemental supply to the Poudre River travels nearly 12 miles downstream while passing through downtown Fort Collins, ultimately to be recaptured from the Poudre River near Lemay Avenue. Incorporating this first-of-its-kind "Reservoir Release" concept into the Project's operation exemplifies Northern Water's commitment toward fine-tuning certain Project facilities and operations to provide additional environmental benefits and accomplish a broader social objective.

We believe that additional collaborative opportunities remain in which the City, along with other stakeholders, can provide meaningful input and guidance toward the Project's final configuration and, furthermore, guide many of the long-term Poudre River-related investments under the Project's defined

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mitigation requirements that will ultimately enhance the health of the Poudre River. Although not an exhaustive list, of particular note are the City's forthcoming opportunities to continue to engage on the Project and review the proposed Project's facilities through its own Site Plan Advisory Review (SPAR) and to help direct development and implementation of the Stream Channel Habitat Improvement Plan process as an anticipated key stakeholder to NISP's Adaptive Management Committee (AMC).

#### *SPAR – Next Step for NISP*

Northern Water and City staff anticipate that a SPAR application for NISP will be submitted by Northern Water in the remaining months of 2020. Among other things, Northern Water views the SPAR process as an opportunity to further discuss the design of the Project's proposed facilities (diversion works and pipelines) and their respective locations and footprint. Northern Water also looks forward to discussing City-owned property impacts and design within the City's Growth Management Area (GMA) as appropriate and within the context of any Larimer County permits. Northern Water recognizes the City's objective to minimize, if not eliminate, long-term impacts as related to the construction and operation of NISP, and acknowledges that certain Project facilities required for the retrieval of reservoir releases from Glade Reservoir are presently planned on or near City Natural Areas. Northern Water views SPAR, in conjunction with staff-to-staff discussions and deliberations with the City's Planning and Zoning Board, as an ideal forum to discuss proposed facility siting(s) and whether potential adjustments are appropriate and feasible under applicable land-use planning constraints.

#### *City's Key Role in Adaptive Management*

In 2017 the Colorado Parks and Wildlife Commission and the Colorado Water Conservation Board approved a statutorily required Fish and Wildlife Mitigation and Enhancement Plan (Plan) for NISP. Among other mitigation requirements that pertain to the construction and operation of NISP, the Plan sets forth certain mitigation and enhancement requirements that are governed by way of an adaptive management (AM) process. Although some requirements are directed exclusively between Colorado Parks & Wildlife (CPW) and Northern Water, other AM requirements rely upon the input and direction from key Poudre River stakeholders, including the City. Several meetings have been held in recent months with stakeholders to introduce the AM requirements embedded within the Plan to identify a balanced governance structure.

Although recent discussions have generated some ideas toward a conceptual AM governance framework, several stakeholders, including the City, believe that additional investment is needed to collaboratively craft a governance structure that adheres to Plan requirements while providing for additional input and direction from stakeholders. At the present time, Northern Water and CPW have agreed to host future stakeholder meetings to do just that. It is anticipated that certain stakeholders, including the City, may require an underlying agreement to memorialize the steps needed to further advance foundational aspects of AM as it relates to NISP.

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Having the City as a key member of the proposed Adaptive Management Committee (AMC) will ensure that certain Poudre River investments required pursuant to the Plan are properly deployed and well aligned with known City objectives. Please find an attached outline (Exhibit 1) that provides added detail as to what Northern Water proposes the responsibility of the AMC to be and prospects that the City may yield from its involvement.

On behalf of Northern Water, I want to thank the City for its ongoing investments in the forthcoming SPAR process and deliberations related to Poudre River adaptive management. I truly recognize the value of this investment and want to convey to you that having City staff engaged and vested in these processes will assuredly lead to an improved outcome.

Sincerely,



Bradley D. Wind, P.E.

General Manager

Attachment

cc: Karlyn Armstrong, Colorado Parks and Wildlife

## Exhibit 1

### Conceptual approach for developing governance structure for the SCHIPP and for supporting the development of the NISP Adaptive Management Framework

#### Proposed Framework:

- The Adaptive Management Committee (AMC) would be responsible for directing the following:
  - Development of the AMC's internal governance and decision-making protocols with input from the Governance Committee.
  - Development of the Stream Channel Habitat Improvement Plan Process (SCHIPP) [\$1 million allocated].
  - Development of resource management objectives and key desired outcomes for the Poudre River's ecological condition as context for implementation of the SCHIPP.
  - Setting priorities for use of defined NISP financial contributions for activities under the SCHIPP [\$2 million of the initial \$5 million; \$1 million within Fort Collins reach].
  - Selection, monitoring, and evaluation of activities and projects under the SCHIPP.
  - Management of funding and implementation under SCHIPP.
  - Development of a strategy to ensure long-term funding and implementation to leverage NISP funding.
  
- The AMC would provide advisory recommendations to the Governance Committee (CPW, CDPHE, NW) on:
  - Recommended adjustments to Poudre River mitigation and enhancement projects identified as conditions in the NISP Fish and Wildlife Mitigation and Enhancement Plan (FWMEP) and 401 Certification regulatory approvals that are subject to adaptive management, to ensure functioning as intended.
  - Other recommendations as deemed appropriate by the AMC.
  
- The Poudre River Adaptive Management Program would recognize:
  - Regulatory Agencies retain final decision-making within their respective areas of jurisdiction:
    - CPW on deliverables under conditions in FWMEP.
    - CDPHE on deliverables under conditions in 401 Certification.
  - Sideboards in the respective NISP approvals:
    - Non-impairment of NISP water rights, operations, and yield, as determined by Northern Water.
    - Resource commitments and funding contributions specified for Project mitigation/enhancement in view of impacts defined through the regulatory processes.
  
- NISP mitigation is addressed outside of the NISP Adaptive Management framework and funded by the NISP participants and does not rely on contributions from AMC members.

- NISP Adaptive Management Program is subject to and must be consistent with NW's FWMEP and other agreements and obligations.

**Fort Collins' participation in NISP Adaptive Management is an opportunity to:**

- Leverage resources allocated specifically towards river and riparian health improvements in the Fort Collins reach:
  - \$1 million out of \$5 million to implement stream and channel habitat improvement projects identified in the Fort Collins Downtown Master Plan or other planned activities by Fort Collins on the Poudre River within affected reaches;
  - 10 acres of riparian vegetation improvements within Fort Collins that will be coordinated with current planning efforts by Fort Collins, including its Poudre River Downtown Master Plan. Potential locations include the Gustav Swanson Natural Area and a new 31-acre natural area north of the Mulberry Wastewater Treatment Plant.
- Have a voice with a regional forum:
  - That will plan, direct and implement river health improvement projects;
  - That will allocate available resources associated with the Stream Channel Habitat and Improvement Plan.
- Keep tabs on the implementation of NISP mitigation and enhancement projects by providing input to the regulatory agencies regarding effectiveness of mitigation and enhancement measures; and to advise on potential adjustments needed to improve these measures if they do not deliver the intended offsets or enhancements.
- Take advantage of available funding commitments that are expected to be directed towards infrastructure improvements (such as stormwater system upgrades) and that will likely need to take proceed regardless of NISP, due to existing water quality impairments. NISP funding will offset costs that are likely to be incurred by Fort Collins and other utilities along the river, regardless of the project.
- Access additional resources that can be built upon in the context of Fort Collins' own mitigation needs for the Halligan Reservoir Expansion Project.