

ORDINANCE NO. 046, 2021
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING SUPPLEMENTAL APPROPRIATIONS, APPROPRIATING PRIOR YEAR
RESERVES, AND AUTHORIZING TRANSFER OF EXISTING APPROPRIATIONS
FOR POST-FIRE WATERSHED RESTORATION TREATMENTS AND OPERATIONAL
COSTS ASSOCIATED WITH TREATING FIRE-IMPACTED WATER SUPPLIES

WHEREAS, during the 2020 wildfire season, nearly 400,000 acres of landscape burned in critical watersheds through which the Cache La Poudre River, the Colorado-Big Thompson (CB-T) system, and associated high mountain reservoirs supply water to Northern Colorado communities, including Fort Collins, Greeley, and Larimer County; and

WHEREAS, following forest fires like the 2020 Cameron Peak and East Troublesome wildfires, flash flooding is more frequent, leading to increased ash deposits and sedimentation in rivers, debris flows, and overall degradation of water quality, requiring municipal water systems operators incur significant additional water treatment expenses for remediation measures; and

WHEREAS, City Utilities staff has estimated \$1,000,000 in unanticipated operating and capital costs for the City's Water Treatment Facility to address the impacts of the 2020 wildfires, which total is anticipated to be adjusted as the impacts of the Cameron Peak and East Troublesome fires on the City's water quality and water supply are revealed, priority work is identified, and projects are scheduled; and

WHEREAS, after the 2020 wildfire season, regional stakeholders, including Fort Collins and Greeley, prepared an initial watershed assessment of post-fire conditions to identify priority areas for regional post-fire treatments and to explore options to reduce impacts on individual municipal water systems; and

WHEREAS, this effort identified 18,000 acres of moderate to severely burned areas suitable for treatments (e.g., aerial wood shred mulching, straw erosion wattles, sediment catchment basins, and stream grade control structures), at an estimated cost of \$19 - \$38 million; and

WHEREAS, based on the watershed assessment, Greeley and Larimer County engaged the Natural Resources Conservation Service (NRCS) and entered into agreements for federal financial assistance through the Emergency Watershed Protection (EWP) assistance program; and

WHEREAS, an intergovernmental agreement negotiated by Fort Collins Utility staff, Greeley, and Larimer County to establish a cost-sharing arrangement to complete the post-fire treatments approved under the EWP assistance program ("Post-Fire Watershed Restoration IGA"), for adoption with second reading of this Ordinance; and

WHEREAS, Utility staff has estimated, prior to EWP program reimbursements and including anticipated local match requirements, the City's share of proposed post-fire watershed treatments and associated costs will be approximately \$4,000,000, including \$3.7 million to

address up to 7,500 high priority acres through aerial wood mulching; \$265,000 for wattles, stream grade control, and sediment catchments; and \$35,000 for project management support; and

WHEREAS, Utilities staff has identified approximately \$600,000 in unencumbered revenues in the Water Fund, based on water rates City Council approved under Ordinance No. 140, 2020 (November 17, 2020), along with \$1,800,000 in unused funds in the Horsetooth Outlet Project, and operating revenues in the Water Fund that exceeded the projected 2020 budget, which sums are available to fund initial post-fire watershed restoration treatments and Water Utility wildfire-related operational costs; and.

WHEREAS, Utilities staff accordingly has recommended Council approve supplemental appropriation of \$1,000,000 for unanticipated operating and capital costs at the City's Water Treatment Facility attributable to 2020 wildfires, including \$36,000 to adjust the budgeted payment in lieu of taxes and franchise (PILOT) to reflect 6% of the increased operating revenues, and \$4,000,000 for post-fire emergency watershed treatments and costs under the pending Post-Fire Watershed Restoration IGA; and

WHEREAS, this appropriation benefits public health, safety and welfare of the citizens of Fort Collins and benefits Water Utility rate payers by proactively addressing impacts of recent wildfires on City water utility treatment facilities and operations, and leveraging regional and federal financial and in-kind resources to protect essential water basins and water quality, thereby curbing utility operating costs that may otherwise require sooner water service rate increases; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council, upon recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, Article V, Section 9 of the City Charter further permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, the City Manager has recommended the appropriation from anticipated revenues described herein and determined that this appropriation is available and previously unappropriated from the Water Fund and will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year, including amounts otherwise payable to the General Fund for PILOT; and

WHEREAS, the City Manager has recommended the appropriation from prior year reserves described herein and determined that this appropriation is available and previously unappropriated from the Water Fund and will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year; and

WHEREAS, Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation by the City Manager, to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which the funds were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance; and

WHEREAS, the City Manager has recommended the transfer of \$1,800,000 from the Horsetooth Outlet capital project to the Watershed Recovery project and determined that the proposed transfer is from a capital project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.


Section 2. That there is hereby appropriated for expenditure from anticipated revenues in the Water Fund the sum of FIVE HUNDRED SIXTY-FOUR THOUSAND DOLLARS (\$564,000) for post-fire watershed restoration treatments and operational costs associated with treating fire-impacted water supplies.

Section 3. That there is hereby appropriated for expenditure from anticipated revenues in the Water Fund the sum of THIRTY-SIX THOUSAND DOLLARS (\$36,000) for payment in lieu of taxes and franchise (PILOT) to the City's General Fund.

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Water Fund the sum of TWO MILLION SIX HUNDRED THIRTY-SIX THOUSAND DOLLARS (\$2,636,000) for post-fire watershed restoration treatments and operational costs associated with treating fire-impacted water supplies.

Section 5. That the unexpended and unencumbered appropriated amount of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) is hereby authorized for transfer from the Horsetooth Outlet capital project account to the Watershed Recovery project and appropriated therein.

Introduced, considered favorably on first reading, and ordered published this 16th day of March, A.D. 2021, and to be presented for final passage on the 20th day of April, A.D. 2021.

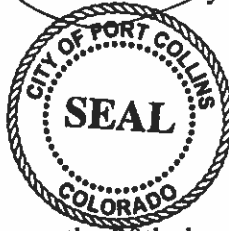


Mayor


ATTEST:



City Clerk



Passed and adopted on final reading on the 20th day of April, A.D. 2021.



Mayor

ATTEST:



City Clerk

