

DATE: September 4, 2012
STAFF: Kevin Gertig, Lance Smith
Lisa Voytko

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

17

SUBJECT

First Reading of Ordinance No. 098, 2012, Appropriating Additional Prior Year Reserves in the Water Fund for Additional High Park Fire Remediation.

EXECUTIVE SUMMARY

On August 21, City Council approved an emergency ordinance appropriating reserves from the Water Fund to begin the soil stabilization efforts required to limit the impacts of the High Park Fire on the Cache la Poudre watershed. That appropriation allowed work to begin on the Hill Gulch, which had been identified as the most critical area comprising Phase 1 of the effort for the whole 5,657 acres which will require aerial mulching and seeding per the Burn Area Emergency Response (BAER) report. That work has begun and is anticipated to be completed in 2 weeks, rather than the initial estimate of 4 weeks, allowing the next critical area, Boyd Gulch, to be treated before October. This Ordinance seeks additional funds from the Water Fund reserves to tackle the soil stabilization efforts in the Boyd Gulch and other high-priority areas.

This Ordinance appropriates \$2,000,000 from the Water Fund reserves so that additional mitigation efforts can be completed in 2012.

BACKGROUND / DISCUSSION

The High Park Fire, which began on June 9, 2012 and ended on July 11, 2012, has affected the Cache la Poudre watershed. The City has a large vested interest in the quality of water in the Poudre River. The Cache la Poudre watershed is not owned by Fort Collins Utilities and consequently, it is necessary to work with other governmental entities and private landowners to effectively address the negative effects of erosion/sediment transport into the River due to rain on the burn area. Over 70% of the burned area resides on private land, which will not be mitigated without participation of the City of Fort Collins.

The City of Greeley has entered into an agreement with Western States Reclamation to do similar mitigation in the Hill Gulch already. That contractor is currently completing the reseeding and mulching necessary to slow the erosion affecting Hill Gulch and will be ready and available for this effort.

The cooperative efforts after the High Park Fire have identified Boyd Gulch as a priority area for similar efforts. A total of 5,657 acres require treatment. This funding represents the City of Fort Collins portion of the funds required to treat this area and possibly other areas in 2012.

Staff will continue to update the City Council and community as more information becomes available. What is known at this time is that the water quality is, and will continue to be, challenging to treat after any rain or snow melt. Based on literature of watershed fires, we could experience negative effects for years after this fire. In addition, these negative effects will change as the years go by with immediate effects being the presence of ash and sediment in the river and longer term changes to the water quality such as metals concentration and algae growth leading to taste and odor issues are anticipated. Denver Water for example is still dealing with the Hayman fire more than a decade later.

FINANCIAL / ECONOMIC IMPACTS

This effort will be coordinated through the National Resources Conservation Service (NRCS) through a program called "Emergency Watershed Protection (EWP)". The program is designed for recovery measures. The measures must be environmentally and financially sound. It is possible we will be eligible for up to 75% reimbursement from the federal agencies and the City would pay the remaining 25%. It is not anticipated that federal funds will be available to reimburse the City for any work done in 2012. Federal funds may not be available for work done in 2013 either, although that is not known at this time. However, it is necessary to begin the mitigation efforts immediately.

Since the total recovery cost impacts are still being determined at this time, this Ordinance is requesting funding only for the mitigation efforts related to the Boyd Gulch and other high priority areas in 2012. As further financial assessments are completed, staff will update the City Council. It is anticipated at this time that a rate increase will be necessary in 2013 to cover the additional costs associated with the fire mitigation efforts and the increased water treatment costs.

Our region is known for its high quality water and the economic impact is significant to our city. Many businesses have located here specifically because our water exceeds drinking water standards.

ENVIRONMENTAL IMPACTS

The City of Fort Collins, along with two other water providers together serve over 320,000 citizens with high quality drinking water in northern Colorado. In Fort Collins, staff is collaborating with the other agencies to reduce the negative environmental impact. The fire has increased debris in the river, erosion, and the sediment continues to degrade water quality.

The City plans to mitigate the areas that have the highest severity by placement of seed and mulch.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BOARD / COMMISSION RECOMMENDATION

There has not been sufficient time to present this Ordinance to the Water Board although updates on the situation have been given to the Water Board. The complete mitigation plans will be presented to the Water Board when they are more fully developed.

ORDINANCE NO. 098, 2012
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING ADDITIONAL PRIOR YEAR RESERVES IN THE WATER
FUND FOR ADDITIONAL HIGH PARK FIRE REMEDIATION

WHEREAS, the High Park Fire, which began on June 9, 2012 and ended on July 11, 2012, has affected the Cache la Poudre watershed (the “Watershed”); and

WHEREAS, a formal assessment of the impacts of the High Park Fire has been prepared by an interagency Burned Area Emergency Response (“BAER”) team, consisting of the Natural Resources Conservation Agency (“NRCS”), Larimer County (the “County”), the Colorado Department of Transportation (“CDOT”) and the U.S. Forest Service (“USFS”), and was issued on July 17, 2012 (the “BAER Report”); and

WHEREAS, considering the severity of the impacts of the High Park Fire, and the resulting potential for increased soil erosion and related cumulative effects from increased peak runoff flows and sediment laden flows, and other related impacts, the BAER Report concluded that the High Park Fire has resulted in emergency conditions for roads, recreation, water diversion infrastructure, water quality degradation, flood hazard, debris flow hazard, and road washout hazard, each of which pose a very high level of risk of major loss to human life, safety and property; and

WHEREAS, in addition, the BAER Report identifies other related emergency conditions created by the High Park Fire, such as the risk related to recovery of native vegetation, and identifies a high level of risk to cultural and heritage resources; and

WHEREAS, recent rain events have demonstrated the negative effects of erosion in the Watershed and on the Cache la Poudre River (the “Poudre River”), a key water source for the City; and

WHEREAS, in view of the foregoing, there is an urgent need for the City and other entities that will experience the impacts identified in the BAER Report to act quickly to mitigate the conditions in the Watershed so as to reduce the potential for these emergency conditions and related risk to human life, safety and property; and

WHEREAS, the Watershed is largely located on land not owned by the City; consequently, it is necessary to work with federal and state agencies, the City of Greeley (“Greeley”), the Tri-Districts (Fort Collins-Loveland Water District, East Larimer County Water District, and North Weld County Water District) (the “Districts”), and the County to develop an erosion mitigation plan to effectively address the negative effects of rain, erosion and sediment transport due to rain on the burn area; and

WHEREAS, on August 21, 2012, the City Council adopted Emergency Ordinance No. 088, 2012, which appropriated prior year reserves in the Water Fund to allow the City to move forward with Greeley, the Districts and the County to meet the most immediate need by

addressing the highest priority area, Hill Gulch, which represents 1,152 acres of the 5,600 acres requiring mitigation; and

WHEREAS, upon completion of the mitigation work in the Hill Gulch area, work in the next highest priority areas in the Watershed will need to proceed as quickly as possible in order to reduce the impacts to the Watershed to the extent reasonably possible; and

WHEREAS, the Watershed mitigation efforts will continue to be coordinated through the NRCS, which administers a program called the Emergency Watershed Protection (“EWP”) program that is designed to prescribe and facilitate recovery measures that are environmentally and financially sound; and

WHEREAS, the City has worked with local, state and federal agencies to secure possible recovery funding; and

WHEREAS, on August 21, 2012, the City Council adopted Resolution 2012-079, authorizing two intergovernmental agreements regarding Watershed mitigation in response to the High Park Fire, including the commitment of the funds appropriated by this Ordinance for the above-described immediate response activities; and

WHEREAS, City staff has worked to negotiate additional cost-sharing agreements for the ongoing mitigation work in the Watershed; and

WHEREAS, there are not currently sufficient City funds appropriated and available to fund ongoing Watershed mitigation efforts in the remaining weeks of the year during which conditions are appropriate for the mitigation work; and

WHEREAS, funds are available from the Water Fund prior year reserves for the High Park remediation in the Boyd Gulch area and other high-priority areas; and

WHEREAS, Article V, Section 9, of the City Charter 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

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated from prior year reserves in the Water Fund the sum of TWO MILLION DOLLARS (\$2,000,000) for High Park Fire remediation activities as described herein.

Introduced, considered favorably on first reading, and ordered published this 4th day of September, A.D. 2012, and to be presented for final passage on the 18th day of September, A.D. 2012.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 18th day of September A.D. 2012.

Mayor

ATTEST:

City Clerk