

Discussion on Water Resource and Infrastructure Protection through the Wildfire Management Program

City Council Work Session
September 10, 2019



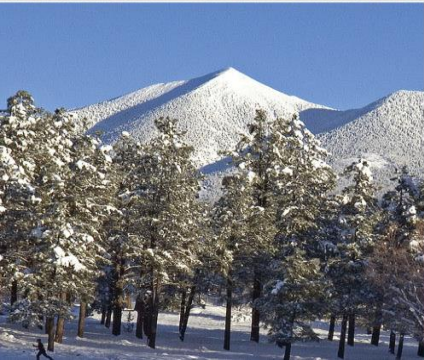
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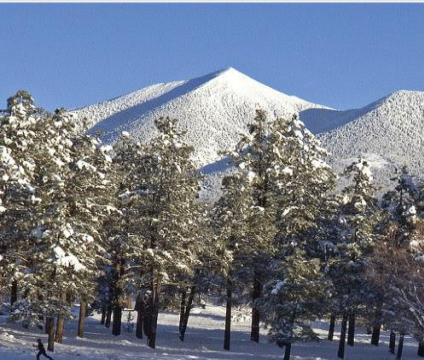
The Need:

Protection of all things Water,
Stability & Continuity of WFM



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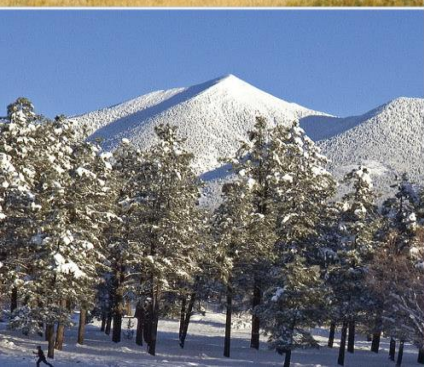
What are we protecting. . .

- **Surface water resources**
 - Upper Lake Mary, Mormon Mountain
- **Groundwater Infrastructure**
 - Lake Mary Wells
 - Woody Mountain Wells
 - Waterlines in washes
- **Sewer interceptor infrastructure in washes**
- **Reclaimed water infrastructure in washes**
- **Stormwater Infrastructure**



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What are we protecting. . .

- **Cost to catastrophic event at Lake Mary**
 - \$17.5M to \$35M loss to replace surface water with groundwater
 - \$? for construction of new pre-sedimentation basins at Lake Mary WTP
- **Recent events Newman Fire, Museum Fire**



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The setting . . .

- **All the known . . .**
 - #1 fire threat :Where will the West's next deadly wildfire strike?
 - Community/infrastructure protection (includes Storm-water and Water source/delivery systems)
 - Forest resilience (Forests-to-Faucets concept)
 - Forest health/Climate Action and Adaptation Plan (CAAP)
 - Top Council objective
- **Some relief provided FY20 budget (operating & Forest Health position to GF), but still reliant upon Bond:**
 - 50% of FMO
 - 100% of seasonal crew
- **The urgency:**
 - Grants are less certain, contracts are static
 - Bond projected to zero-out Dec 2020
 - Funding required to be in-place FY21 (July 20)



Wildland Fire Management: The cycle of success . . .



Requires . . .

- Wildland Fire Management Officer
- Forest Health Supervisor
 - Firewise Specialist
 - Interns/Volunteers
- Crew Supervisor
 - Squad Boss (1→2)
 - Seasonal crew members (13→10)



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The history . . .

- **WFM began 1996/97 . . .**
 - Fire occurrence
 - Frightened community
 - Science (NAU), Environmental (GCT), Land Management (USFS), and Political (City)
- **General Fund . . .**
 - supported by grants and donations . . .
 - augmented later by some contract revenue
- **2008-9 Recession**
 - Loss of two positions (unrestored)
- **2012 Bond passage**
 - shift of expenses/resources to bond
 - Term basis – 5-year mark to re-engage on staff/operational expenses



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The good news . . .

- Not a surprise – Began discussions FY17 Budget prep
- 22 years - demonstrated action & success, backed by strong Council & community awareness and support
 - Experience, Studies, Reports, & Survey's
 - CWPP & WUI Code
 - Customer Expectations & Service Requests
- **Willingness to Pay:**
 - 2012: Flagstaff Poll & FWPP Bond
 - 2016: TNC (Boulder) & TPL (national) findings
 - 2019: Flagstaff Focus Groups
- **Funded elsewhere: Denver CO, Santa Fe NM, Eugene OR**

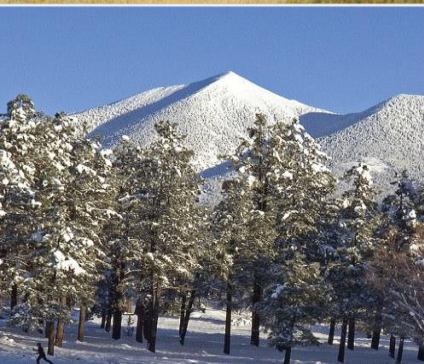
A recognized national leader and model



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FWPP Status & Need . . .

\$10M Bond Approval	Starting January 2013
\$ 3.50 million	Spent to date
\$ 4.75 million	Encumbered (Phase II, Outreach)
\$ 0.45 million	Grant match/contingency/other
\$ 1.30 million	WFM requirement to support ongoing project commitments
\$ 0.00 Remaining	Estimated spent December 2020 75% of project completed (2022-3)

- **Projected Need to complete**
 - \$8.5 M- Phase III (Mormon Mtn) – Total Est Cost



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Summary . . .

- To protect water resources and infrastructure, need to fully transition away from variable, diminishing sources to a stable financial foundation
- Continues City's 22-year investment in WFM protection of water resources
- Supports Council goals:
 - Water Conservation
 - Environmental and Natural Resources
 - Climate Change
- Decision(s) required to be in-place FY21 (July 20) to continue uninterrupted



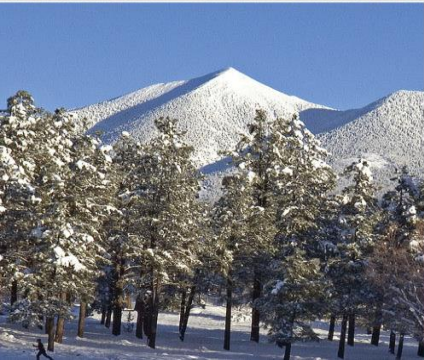
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Successful WFM - \$1.3M

- **Personnel Costs- \$826,000**
 - Wildland Fire Manager, Wildland Fire Supervisor, Wildland Fire Specialist, Forest Health Supervisor, Seasonal Crew
- **Contractual and Commodities Costs – \$388,500**
 - Various operational and safety expenditures, indirect costs, and support for public/private and grant opportunities
- **Capital Costs - \$100,000**
 - Annual set aside to replace WFM vehicles and equipment
- **Funding for the WFM Program - \$1.3M**
 - General Fund - \$255,500
 - Environmental Management Fee (EMF) – \$286,700
 - FWPP Bond Project Work - \$422,300
 - Not funded/proposed - \$350,000



Options to Consider

- **Ongoing needs for sustainable Wildland Fire Management Program to protect our water resources**
 - Consumption Based Rate
 - Meter Based Rate
 - Flat Fee

- **One time needs for FWPP project**
 - 2020 Election for General Obligation Bonds
 - Fee based debt service payments



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Options to Consider

Option	Consumption Based	Meter Based	Flat Statement Based
Pros	Fee based on user impact to system	Fee based on capacity of meters	Comparable to EMF
Cons	Substantial increase for higher consumption users	Increase for customers requiring larger meter	Same fee for each account, not impact based
Residential Impact (monthly)	\$2 to 3 at 3,500 gallons	\$5 to \$490 based on meter size	\$3 – 7 per bill
Comm Impact (monthly)	\$5 to 7 at 10,000 gallons	\$5 to \$490 based on meter size	\$3 – 7 per bill



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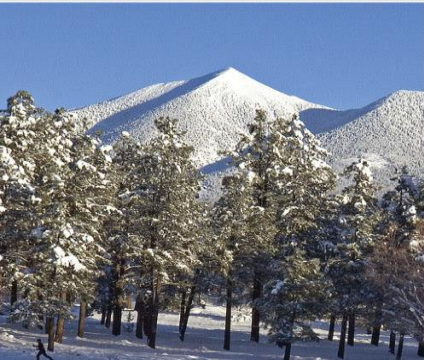
Options to Consider

- **General Fund and Environmental Management Fee Support**
 - Continue support: Lower fees
 - Reduce support: Higher fees, free up of resources in these funds, self sustaining program
- **Other resources**
 - Water Services, sales tax, flood control, other
- **GO bond and/or debt finance with rates for major FWPP project**
 - Secondary Property Tax versus Fee Based



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Council Direction

- Is Council interested in a Municipal Statement fee?
- What type of fee?
 - Consumption based
 - Meter based
 - Flat statement fee
- Other resources/support
 - General Fund \$255,500
 - EMF \$286,700
 - Other



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Council Direction

- **How to pay for FWPP?**

- 2020 Election
- Fee based debt

- **Next steps**

- Formalize financial plan/Create FWPP Committee
- Outreach
- Council Adoption in Spring 2020



Council Direction

- **Is Council interested in updating the EMF to similar basis?**
 - Current Fee is \$4 per Municipal Statement
 - Revenues approximately \$1.1M Annually
 - Consumption, Solid Waste, Meters, ect.