

# Environmental Management and Water Resource and Infrastructure Protection Initiative through Wildland Fire Management Fees Discussion



# Discussion Framework

- How we got here
- Environmental Management Fee
  - Background
  - Proposed fee restructure
  - Customer impact scenarios
- Water Resource and Infrastructure Protection
  - Background
  - Proposed fee
  - Customer impacts
- Advancing City initiatives
- Timeline





# How We Got Here

## **Env. Management Fee**

The Environmental Management Fee should be distributed equitably amongst City customers

## **Water Resource and Infrastructure Protection**

Need to establish a sustainable, stable and long-term initiative to maintain investments in watersheds and City water infrastructure via the Wildland Fire Management Program

# Environmental Management Fee



## Background

- Established in 2002 to fund city-wide environmental programs
- Per the Solid Waste Code 7-04-001-0010 FEES “a fee of \$4.00 fee per month per City utility bill ...”
- In Fiscal Year 2019-20 the fee generated \$1.02 Million
  - Fee provides revenues for Sustainability Section, Flagstaff Fire Department, and Greater Flagstaff Forest Partnership

# Environmental Management Fee



## Proposed Fee Restructure – Why?

The fee is intended to correlate between the environmental and natural resource impact and programming necessary to mitigate these impacts. In many cases the fee is not distributed equitably among service addresses. For example:

- A single-family residence is assessed at \$4 monthly per bill.
- A high occupancy housing unit of 150 habitants is assessed at \$4 monthly per bill because they have one monthly bill. A specific example is a high-density unit in Flagstaff with ~ 900 residents pays \$20 per month for 5 bills at the unit.
- The City provides some services per contract and/or miscellaneous billings and these customers currently do not pay the fee at all

# Environmental Management Fee



## Proposed Fee Restructure

- Restructure the fee to be \$0.035 rate assessed on charges from water, wastewater, reclaimed water, stormwater, trash and recycling services (“core services”)
- Restructure would keep the fund “flat”
- Arizona laws allow cities and towns to charge fees for the provision of these core services
- The fees collected are used for protecting and enhancing our core services
- Customers will have some ability to reduce their monthly fee, by consuming less

# Environmental Management Fee

## Residential Customer Impact Example

### With Typical Municipal Bill Services



Residential Customer Impacts	Current Bill	Proposed Bill	Change
<b>Customer 1: Average Monthly Consumption 3,500</b>			
Total bill w/o Environmental Fee	\$ 77.46	\$ 77.46	\$ -
Amount of Environmental Fee	\$ 4.00	\$ 2.03	\$ (1.97)
<b>Customer 3: Average Monthly Consumption 10,000</b>			
Total bill w/o Environmental Fee	\$ 161.10	\$ 161.10	\$ -
Amount of Environmental Fee	\$ 4.00	\$ 4.77	\$ 0.77

# Environmental Management Fee

## Commercial Customer Impact Example\*

### With Municipal Trash and Recycling Service



Commercial Customer Impacts	Current Bill	Proposed Bill	Change
<b>Customer 1: Average Monthly Consumption 3,500</b>			
Total bill w/o Environmental Fee	\$ 313.79	\$ 313.79	\$ -
Amount of Environmental Fee	\$ 4.00	\$ 10.30	\$ 6.30
<b>Customer 3: Average Monthly Consumption 10,000</b>			
Total bill w/o Environmental Fee	\$ 379.08	\$ 379.08	\$ -
Amount of Environmental Fee	\$ 4.00	\$ 12.39	\$ 8.39

\* Example shows a Commercial customer with City trash service (6 yard bin 2 times per week) and City recycling service (4 yard bin 2 times per week).

# Water Resource & Infrastructure Protection

## Background



- Watershed protection and Wildfire risk reduction program established in 1997 by Council to address wildfire threat and mitigate impacts to Flagstaff
- Now recognized as a national model with proven success
- Funded by General Fund, grants & most recently FWPP bond
- FWPP bond will be fully encumbered/spent within the next 6-10 months
- Recognized need for sustainable ongoing funding to protect our community, forests, watersheds and infrastructure

# Water Resource & Infrastructure Protection

## Proposed Fee



- Option 1 – Water Resource and Infrastructure Protection Initiative via Wildland Fire Management
  - Maintain the trend of reducing the number, size, intensity and cost of wildfires that impact our community
- Option 2 – Water Resource and Infrastructure Protection Initiative & Projects in the Upper Lake Mary watershed
  - Avoid projected replacement and recovery costs of \$84M - \$215M (2013 estimate) following severe wildfire in Upper Lake Mary watershed

# Water Resource & Infrastructure Protection

## Customer Impact – Financial Scenarios



Option 1

Customer Impacts	Effective 8/1/2020		Effective 7/1/2022	
	Monthly Impact	Annual Impact	Monthly Impact	Annual Impact
Gallons of Monthly Consumption				
1,000	0.52	6.24	0.53	6.36
3,500	1.82	21.84	1.86	22.26
5,000	2.60	31.20	2.65	31.80
10,000	5.20	62.40	5.30	63.60
25,000	13.00	156.00	13.25	159.00

Option 2

Customer Impacts	Effective 8/1/2020		Effective 7/1/2022	
	Monthly Impact	Annual Impact	Monthly Impact	Annual Impact
Gallons of Monthly Consumption				
1,000	0.52	6.24	0.68	8.16
3,500	1.82	21.84	2.38	28.56
5,000	2.60	31.20	3.40	40.80
10,000	5.20	62.40	6.80	81.60
25,000	13.00	156.00	17.00	204.00



# EMF/WRIP Residential Impact Summary



## Option 1 (3,500 gallons)

- Environmental Management Fee = \$2.03 (\$1.97 decrease from current fee)
- Water Resource and Infrastructure Protection Fee = \$1.82
- Total = **\$3.85** per month
  - \$0.15 monthly savings
  - \$1.80 annual savings

## Option 2 (3,500 gallons)\*

- Environmental Management Fee = \$2.03 (\$1.97 decrease from current fee)
- Water Resource and Infrastructure Protection Fee = \$2.38
- Total = **\$4.41** per month
  - \$0.41 monthly cost
  - \$4.92 annual cost

***\*Starting FY22***



# EMF/WRIP Residential Impact Summary



## Option 1 (10,000 gallons)

- Environmental Management Fee = \$4.77 (\$0.77 increase from current fee)
- Water resource and Infrastructure Protection Fee = \$5.20
- Total = **\$9.97** per month
  - \$5.97 monthly cost
  - \$71.64 annual cost

## Option 2 (10,000 gallons)\*

- Environmental Management Fee = \$4.77 (\$0.77 increase from current fee)
- Water Resource and Infrastructure Protection Fee = \$6.80
- Total = **\$11.57** per month
  - \$7.57 monthly cost
  - \$90.84 annual cost

***\*Starting FY22***



# Building Community Together

## Advancing City Initiatives

- Regional Plan
- City Council Goals
- Climate Action and Adaptation Plan
- Wildland Urban Interface Code
- Greater Flagstaff Community Wildfire Protection Plan
- Rethink Waste Plan



# Timeline

## Outreach

- Commissions: Open Space, Sustainability, Water
- Social media
- Direct/electronic mailing
- Volunteer corps
- Other – Key Program Partners, etc.

## Ordinance

- June 2, 2020 1<sup>st</sup> read
- June 16, 2020 2<sup>nd</sup> read

Thank you.

Questions?

