

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 8/10/2011

Board Item: V-E-1

Collection Agreement with the United States Forest Service for Forest Treatments on National Forest Land in Denver Water's Watersheds

Action by Consent

Action

Information

Contract #13771A

The health of Colorado's forests and watersheds has a strong influence on Denver Water's municipal water supplies. In July 2010, the CEO/Manager of Denver Water (DW) and the U. S. Forest Service (USFS) signed an Memorandum of Understanding to work together to improve forest and watershed health by reducing the risk of wildfires. The USFS considers this partnership a model to be emulated elsewhere in the United States. This partnership provides leadership for watershed health and sustainability. Efforts to reduce the risk of wildfires are particularly important in light of the serious impacts to DW's watersheds resulting from the catastrophic 1996 Buffalo Creek and 2002 Hayman wildfires.

Under the MOU, the USFS and DW agreed to develop and update annually a 5-year Operating Plan that identifies joint projects in DW's priority watersheds for the years 2011-2015. The Operating Plan calls for DW to spend \$16.5 million, and for USFS to match that expenditure with \$16.5 million of additional forestry work. The Board will determine each year whether to fund the next increment of the Operating Plan. The first increment of the 5-year Operating Plan has been successful. All 1543 acres have been contracted for and 600 acres have been treated as of the end of July. For the existing contract \$600,000 of the \$1 million will be spent in 2011 with the balance paid in 2012. This contract with USFS, called a "collection agreement," commits DW to spend \$2,835,426 during federal fiscal year (FY) 2012 and 2013 (October 1, 2011 – September 30, 2013) in support of the second set of projects identified in the Operating Plan. The forestry work will be conducted in DW's Zones of Concern areas with the goal of reducing fire risk to 2,823 acres. The USFS will be contributing \$4,521,578 towards reducing catastrophic fire risk to an additional 3,683 acres in DW's priority watersheds for a total of 6,506 acres.

Recommendation:

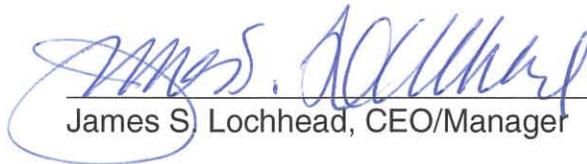
This collection agreement requires the Board to commit \$2,835,426 during federal FY2012 and FY2013 for project implementation. The 2012 and 2013 budgets will include sufficient funds to complete this work. Funding has been included in the 10-Year O&M Plan for potential future years of the project. Staff recommends the Board approve this collection agreement with the USFS for forest treatments on National Forest System Lands.

Respectfully submitted,

Approvals:



Dave Little, Director of Planning



James S. Lochhead, CEO/Manager



Patricia L. Wells, General Counsel

July 29, 2011

Revised by CEO's Office 7/20/2011