

ORDINANCE NO. 027, 2026
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES AND MAKING A SUPPLEMENTAL
APPROPRIATION IN SUPPORT OF THE MICHIGAN DITCH FOREST HEALTH AND
PRE-FIRE MITIGATION PROJECT

A. The City owns and operates a water utility that provides water service to customers within its water service area. As part of the water utility, the City owns and operates the Michigan Ditch and associated infrastructure for the purpose of providing raw water for water supply, including for drinking water treatment.

B. Between August and December 2020, the Cameron Peak Fire significantly impacted federal and state lands abutting the Michigan Ditch.

C. The City has identified a need to develop and execute forest health treatment activities in priority areas at risk of future large scale catastrophic wildfires with regards to pre-fire mitigation thinning, fuel breaks and forest restoration, including in and around the Michigan Ditch and its associated infrastructure.

D. The City has thus begun work on the Michigan Ditch Forest Health and Pre-Fire Mitigation Grant Project (previously also known as the “Michigan Ditch Pre-Fire Mitigation Project”) (“Project”) and has worked with the Colorado State Forest Service on the Project.

E. Phase 1 of the Project and certain previous agreements with the Colorado State Forest Service are addressed in Resolution 2024-113.

F. Phase 2 of the Project is proposed to commence late spring/early summer 2026. For Phase 2, pursuant to Resolution 2025-53, the City accepted \$1,000,000 in grant funds through the Colorado Department of Natural Resources’ Colorado Strategic Wildfire Action Program (“Grant”). Also for Phase 2, pursuant to Resolution 2025-54, the City entered into an agreement with the Colorado State Forest Service.

G. Under the Grant, the City has a \$316,682 match obligation. A \$200,000 portion of the match obligation has already been appropriated in the City’s budget.

H. To proceed with Phase 2, staff thus seeks that Council appropriate: (1) the \$1,000,000 in revenue from the Grant; and (2) \$116,682 from the Water Fund.

I. This appropriation benefits the public health, safety, and welfare of the residents of Fort Collins and serves the public purpose of safeguarding the City’s critical water supply infrastructure.

J. Article V, Section 9 of the City Charter permits the City Council, upon recommendation of the City Manager, to make a supplemental appropriation by ordinance

at any time during the fiscal year, provided that the total amount of such supplemental appropriation, in combination with all previous appropriations for that fiscal year, do not exceed the current estimate of actual and anticipated revenues and all other funds to be received during the fiscal year.

K. The City Manager has recommended the appropriation described herein and determined that the funds to be appropriated are available and previously unappropriated from the Water Fund and that this appropriation will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in this Fund during this fiscal year.

L. Article V, Section 9 of the City Charter permits the City Council, upon the recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year from such revenues and funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

M. The City Manager has recommended the appropriation described herein and determined that the funds to be appropriated are available and previously unappropriated from the Water Fund and that this appropriation will not cause the total amount appropriated in the Water Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in this Fund during this fiscal year.

N. The City Council wishes to designate the appropriation herein for Colorado Department of Natural Resources Colorado Strategic Wildfire Action Program for the Michigan Ditch Forest Health and Pre-Fire Mitigation Grant Project as an appropriation that shall not lapse until the earlier of the expiration of the grant or the City's expenditure of all funds received from such grant.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. There is hereby appropriated from new revenue or other funds in the Water Fund the sum of ONE MILLION DOLLARS (\$1,000,000) to be expended in the Water Fund for the Michigan Ditch Forest Health and Pre-Fire Mitigation Grant Project.

Section 2. There is hereby appropriated from prior year reserves in the Water Fund the sum of ONE HUNDRED SIXTEEN THOUSAND SIX HUNDRED EIGHTY-TWO DOLLARS (\$116,682) to be expended in the Water Fund for the Michigan Ditch Forest Health and Pre-Fire Mitigation Grant Project.

Section 3. The appropriation herein for Colorado Department of Natural Resources Colorado Strategic Wildfire Action Program for the Michigan Ditch Forest Health and Pre-Fire Mitigation Grant Project is hereby designated, as authorized in Article

V, Section 11 of the City Charter, as an appropriation that shall not lapse at the end of this fiscal year but continue until the earlier of the expiration of the grant or the City's expenditure of all funds received from such grant.

Introduced, considered favorably on first reading on April 7, 2026, and approved on second reading for final passage on April 21, 2026.

Mayor

ATTEST:

City Clerk

Effective Date: May 1, 2026

Approving Attorney: Eric Potyondy

Exhibit: None