



STAFF REPORT

To: Summit County Council

From: Jessica Kirby, Public Lands Manager
Janna Young, Deputy County Manager
Lizzie Marsters, World Resources Institute

Date of Meeting: December 08, 2021

Type of Item: Weber River Watershed Resilience Fund financial model and project updates

Process: Work Session

Requested Council Action

1. Provide council confirmation to continue to explore ongoing funding structure for the Resilience Fund
2. Provide council confirmation that funding model is understood
3. Provide council confirmation that project scope and scale is understood

Background

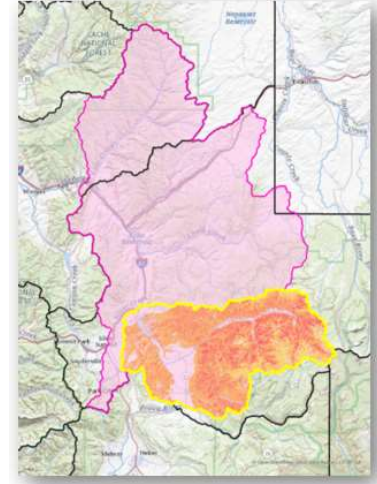
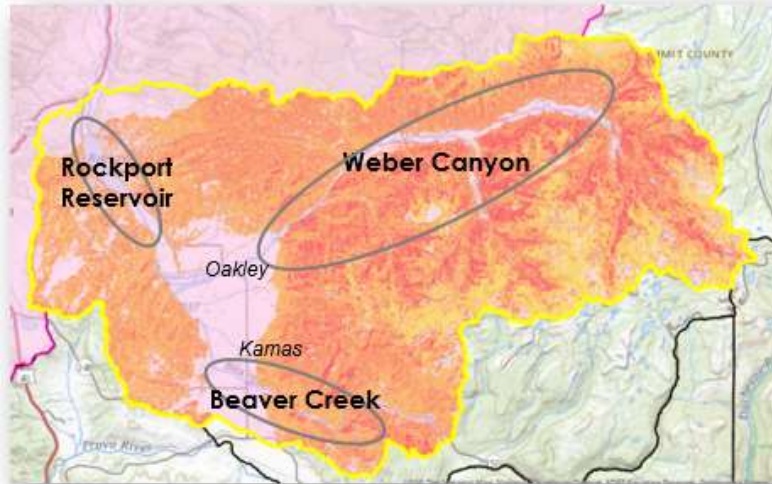
As discussed at several preceding council meetings, Summit County Public Lands is currently in the process of assembling a resilience fund to support watershed restoration and fuel reduction treatments within the Upper Weber Watershed.

Purpose

Since this project was last before council on September 22, 2021, the project team and subcommittee of the Council have been working toward refining the scope and scale of the *Weber River Watershed project* in response to needed financial model clarity and additional refinement of project scope and scale as identified at that time. The attached slide deck reflects the efforts, but as this is an ongoing project, subsequent updates and changes will be made as addition detail is brought forward from the still forthcoming USU study.

Scope and Scale Refinement

The projects scope and scale has been refined using preliminary data for USU. Focus of the piolet project will remain in Weber Canyon but concentrate on the headwater of the Weber River rather than the entire watershed.



Financial Model

A detailed and dynamic financial model had been created that allows staff to showcase scenario driven funding options. While there are many assumptions built into the model it allows for a view into possible gaps in funding and needs for investment strategies. It shows a realistic picture of treatment goals and how reentry treatment funding can be accomplished.

Project Year	1	2	3	4	5	6	7	8	9	10
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Maximum Treatable Acres	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Estimated annual project costs	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000
Upfront Annual project gap	\$ 3,730,000	\$ 2,772,953	\$ 2,740,112	\$ 3,872,722	\$ 3,993,470	\$ 4,017,052	\$ 4,319,360	\$ 4,365,153	\$ 4,415,407	\$ 4,470,383

Contributions to Project Costs

Summit County	\$ 1,250,000	\$ 774,047	\$ 806,568	\$ 840,456	\$ 875,768	\$ 912,564	\$ 679,218	\$ 707,755	\$ 737,492	\$ 768,477
MRW Contributions	\$ 10,000	\$ 10,000	\$ 9,000	\$ 8,000	\$ 7,000	\$ 9,000	\$ 7,500	\$ 6,000	\$ 4,500	\$ 3,000
WBWCD Contributions	\$ 50,000									
Potenatl Future rate payer fees	\$ -	\$ 713,000	\$ 664,320	\$ 611,322	\$ 553,762	\$ 491,385	\$ 423,922	\$ 351,092	\$ 272,601	\$ 188,140
Grants	\$ 520,000	\$ 300,000	\$ 300,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Philanthropic Funding	\$ -	\$ 2,000,000	\$ 2,100,000	\$ 175,000	\$ 175,000	\$ 162,500	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Other Stakeholders	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Contributions	\$ 1,870,000	\$ 2,827,047	\$ 2,859,888	\$ 1,727,278	\$ 1,606,530	\$ 1,582,948	\$ 1,280,640	\$ 1,234,847	\$ 1,184,593	\$ 1,129,617

Endowment Contributions

Beginning AUM	\$ -	\$ 1,246,875	\$ 2,579,021	\$ 4,042,910	\$ 4,633,690	\$ 5,721,492	\$ 6,968,310	\$ 8,682,837	\$ 10,643,480	\$ 12,871,906
Summit County	\$ 1,250,000	\$ 331,734	\$ 345,672	\$ 360,196	\$ 375,329	\$ 391,099	\$ 679,218	\$ 707,755	\$ 737,492	\$ 768,477
MRW Contributions	\$ -	\$ -	\$ 1,000	\$ 2,000	\$ 3,000	\$ 6,000	\$ 7,500	\$ 9,000	\$ 10,500	\$ 12,000
Potenatl Future rate payer fees	\$ -	\$ -	\$ 73,813	\$ 152,830	\$ 237,327	\$ 327,590	\$ 423,922	\$ 526,638	\$ 636,069	\$ 752,561
Shared Stewardship / WRI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 30,000	\$ 45,000	\$ 60,000
Philanthropic Funding	\$ -	\$ 1,010,000	\$ 1,060,000	\$ 97,500	\$ 195,000	\$ 182,500	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
Other Stakeholders	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Contributions	\$ 1,250,000	1,250,000	1,341,734	1,480,486	612,526	810,656	907,189	1,295,640	1,443,393	1,599,061
Ending AUM	\$ 1,250,000	\$ 2,588,609	\$ 4,059,506	\$ 4,655,436	\$ 5,444,346	\$ 6,628,681	\$ 8,263,950	\$ 10,126,230	\$ 12,242,540	\$ 14,634,943

Assumptions

Summit County Investment Assumption (no inflation - through 2025)	1% per year
Investment Assumption (includes 2.5% inflation)	6.50% per year
Management Fee	1% per year
Inflation Assumption	2.50% per year

Discussion

Staff is developing a strategic plan to justify the immediate need for funding, offset cost assessment of proactive forest management and the long-term public benefit of a fire adapted restored watersheds. Upfront annual project gap funding will be a barrier to meeting project goals. Progress is being made to secure start-up and sustaining private investors to close the financial gap. Additional funding will be made available from the USFS as partners in this landscape project, helping close the funding gap.

Conclusion

As we have discussed in previous work sessions the Weber River watershed is perhaps the most consequential water system to Summit County. It will take several years and significant money and manpower to implement treatments and strategies that will have a meaningful impact on protecting this water system from the effects of catastrophic wildfire. As such, it is important to create a reliable dedicated source of funding to advance planning in addition to the funds already committed to this project to provide a permanent funding source for fuel reduction and wildfire mitigation efforts countywide, starting first with the Weber River watershed. Staff and WRI looks forward to continuing support and work with this team in this effort over the coming years.

We will continue to keep the Council updated on our progress with this project.