TOWN BOARD
SPECIAL MEETING

January 7, 2019 // 6:00 p.m. // First floor conference room
301 Walnut Street, Windsor, CO 80550

AGENDA

A. CALL TO ORDER

1. Roll Call
2. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board

B. DISCUSSION ITEMS

1. Xcel Energy Future MOU
2. Water Financing Update

C. EXECUTIVE SESSION

1. An executive session pursuant to Colorado Revised Statutes § 24-6-402 (4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to Colorado National Sports Park. (Shane Hale, Stacy Miller, Ian McCargar)

D. ADJOURN

Stantec

Town of Windsor, CO

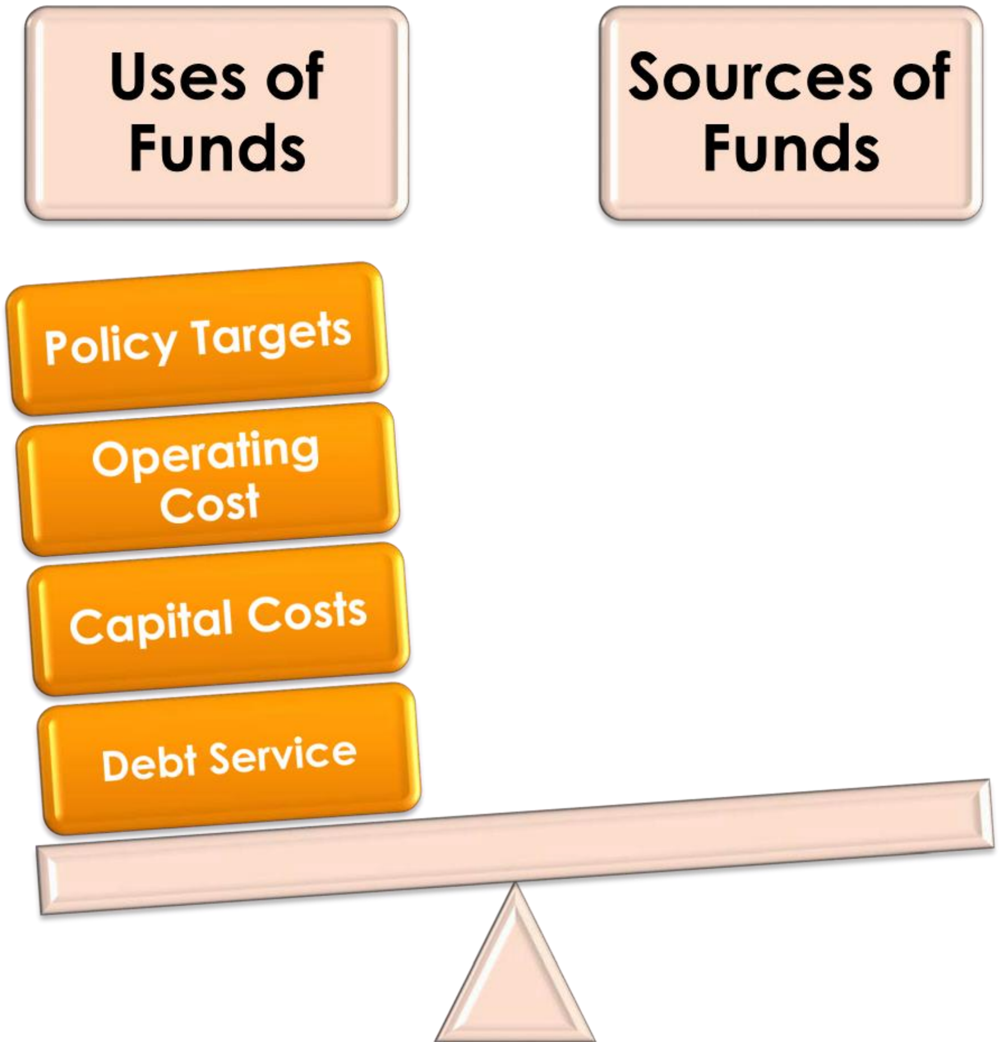
Water Rate Study

Agenda

1. Overview
2. Water Fund Scenarios

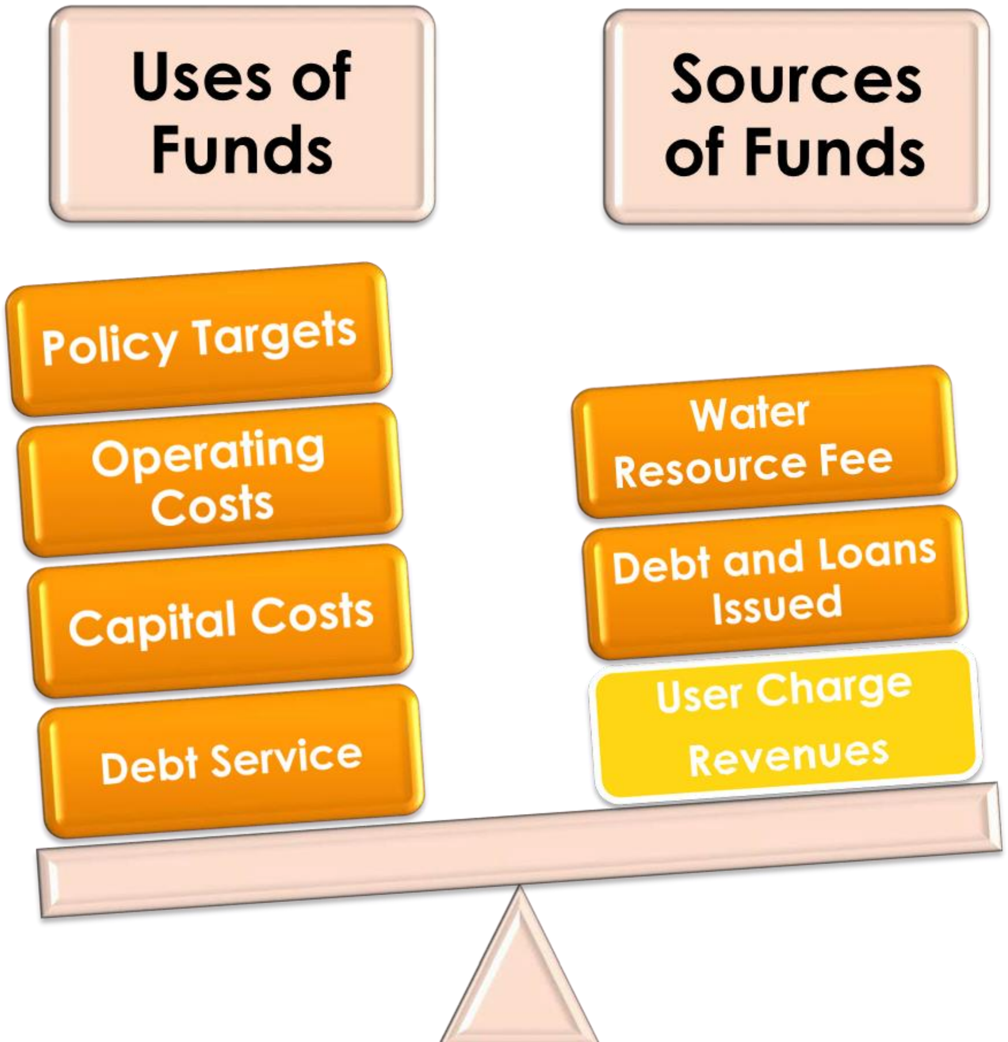
Overview

Utility's financial plans balance sources and uses of cash



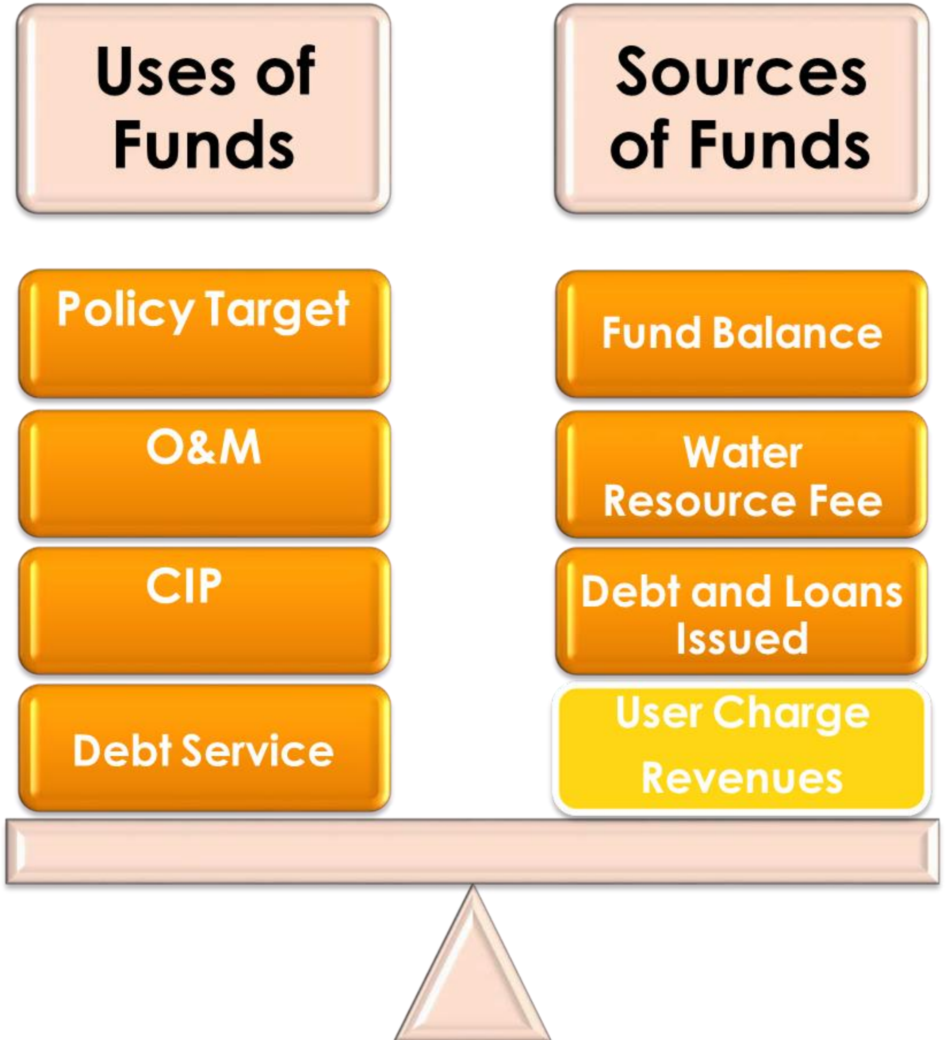
Overview

Primary purpose is to determine the level of user charges needed



Overview

When we balance the plan we can show future costs, rates, and impacts from policies



Utility's Financial Goals

- Maintain debt service coverage at target level – 120%
- Maintain adequate reserve requirements
  - Water – 90 days cash on hand to maintain bond ratings
- Minimize rate impacts to rate payers
- Growth pays for growth
- Adequately fund water resource needs

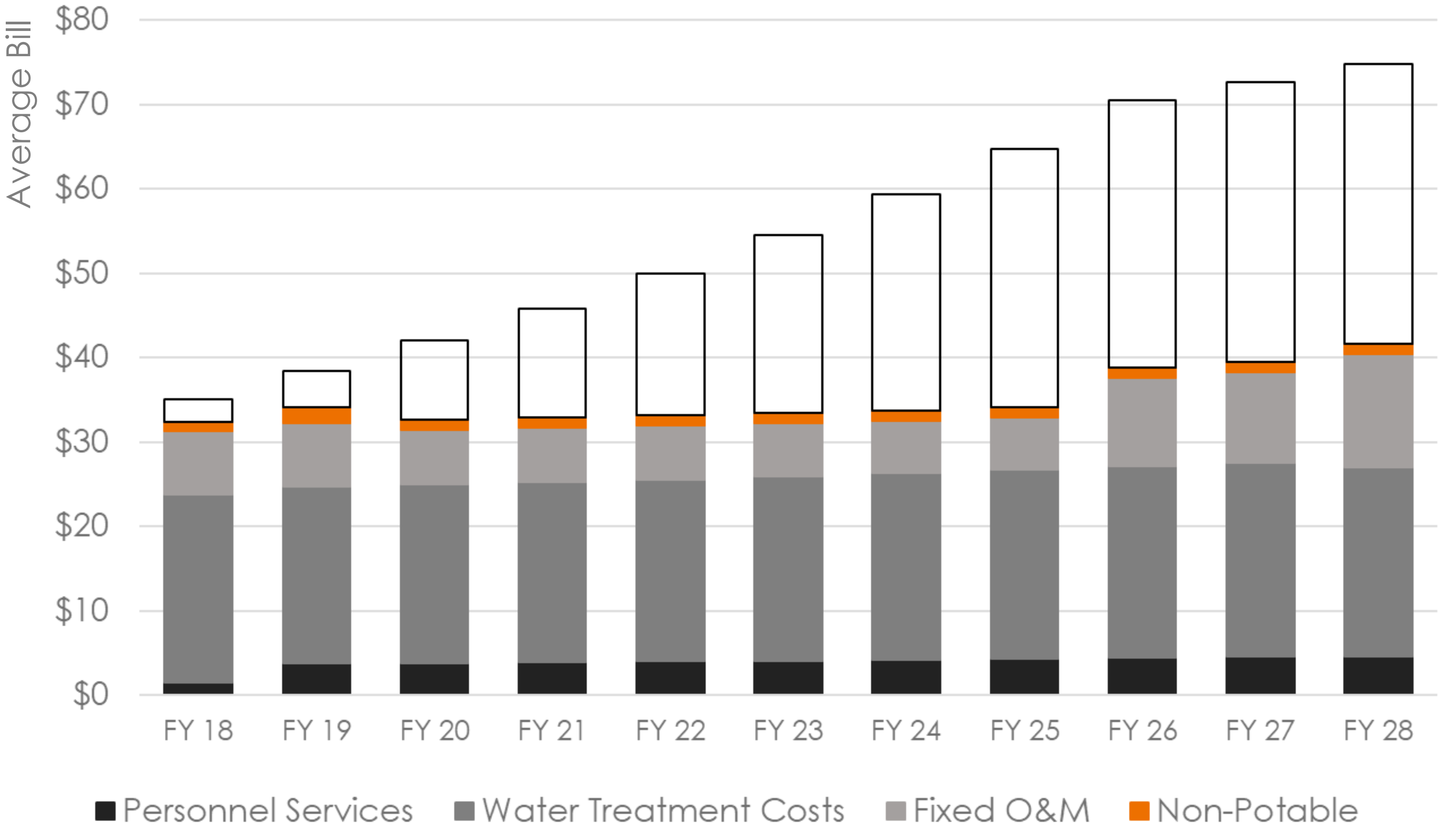
Growth Assumptions

- Growth estimates consistent with economic development reports – 4.25% (both platted and non-platted)
  - 565 units through FY 2019 and 332 units through FY 2028
  - Raw Water Fee is limited by cost of CBT unit

Overview

O&M Assumptions
portion of Average Bill

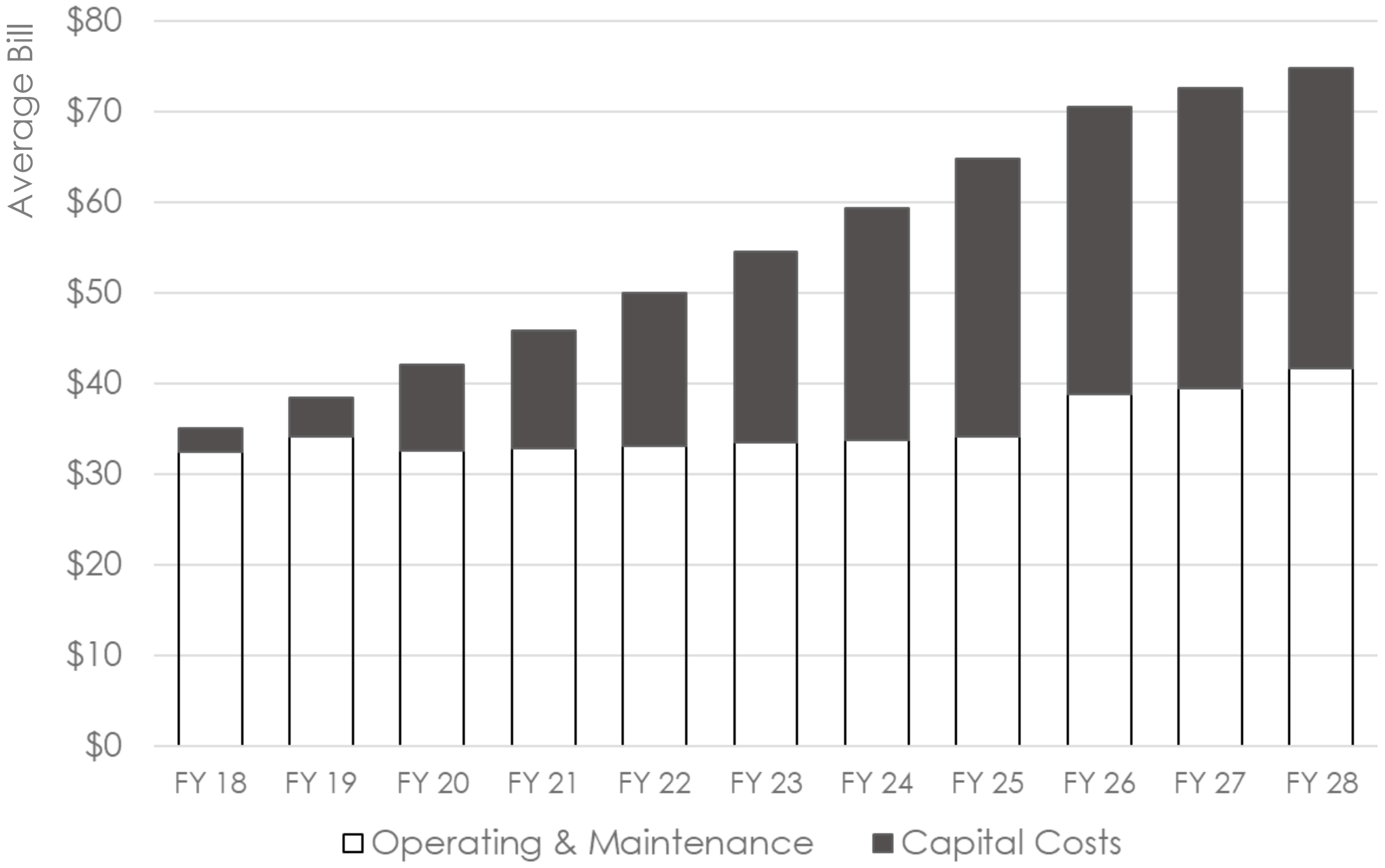
- Escalated at 3%, unless otherwise noted
- Water Treatment Costs increase at about 3% per year
- NISP Operation costs online in 2026



Overview

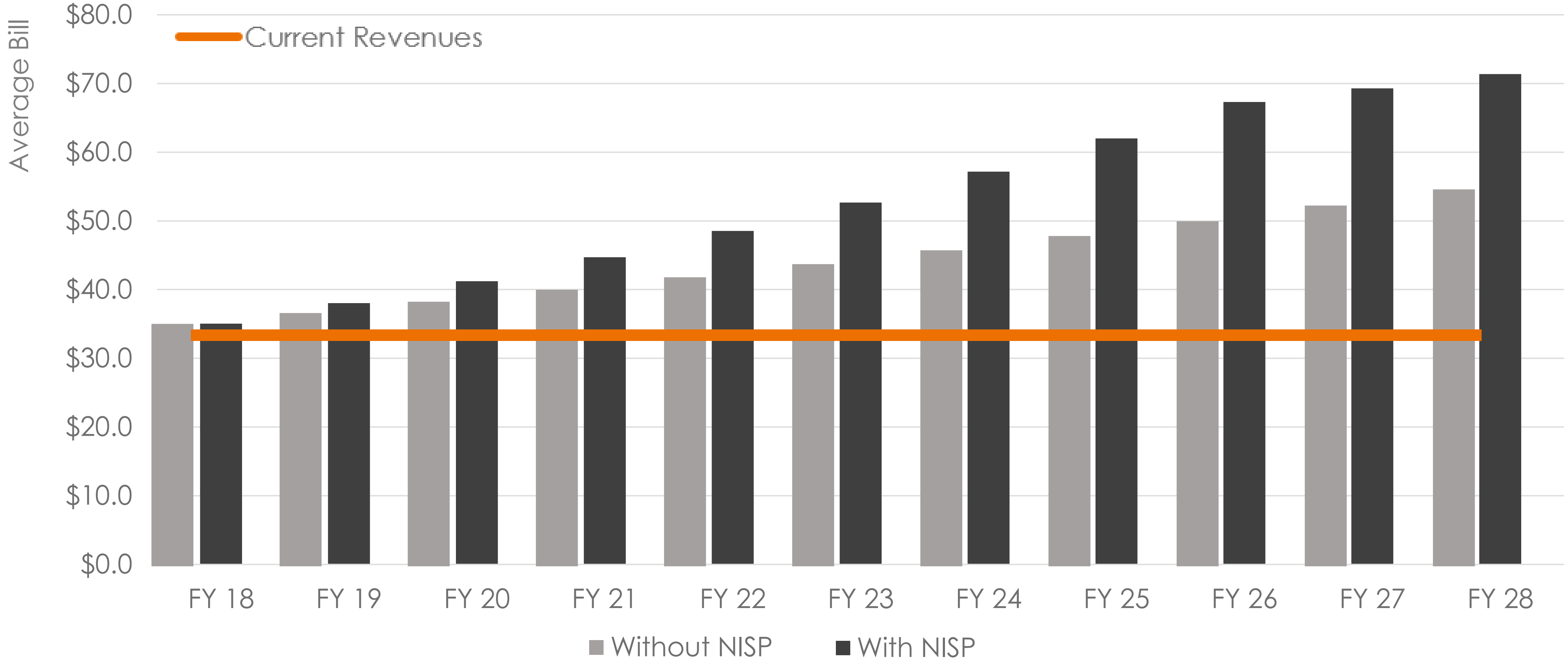
Capital Expense Assumptions
portion of Average Bill

- Raw Water Costs increased by 15% since previous study to $95.9M over the projection period
- Normal Renewal and Replacement (R&R) is at about $1M per year
- $25M Water Treatment Plant planned to be completed in 2028, paid for by new development

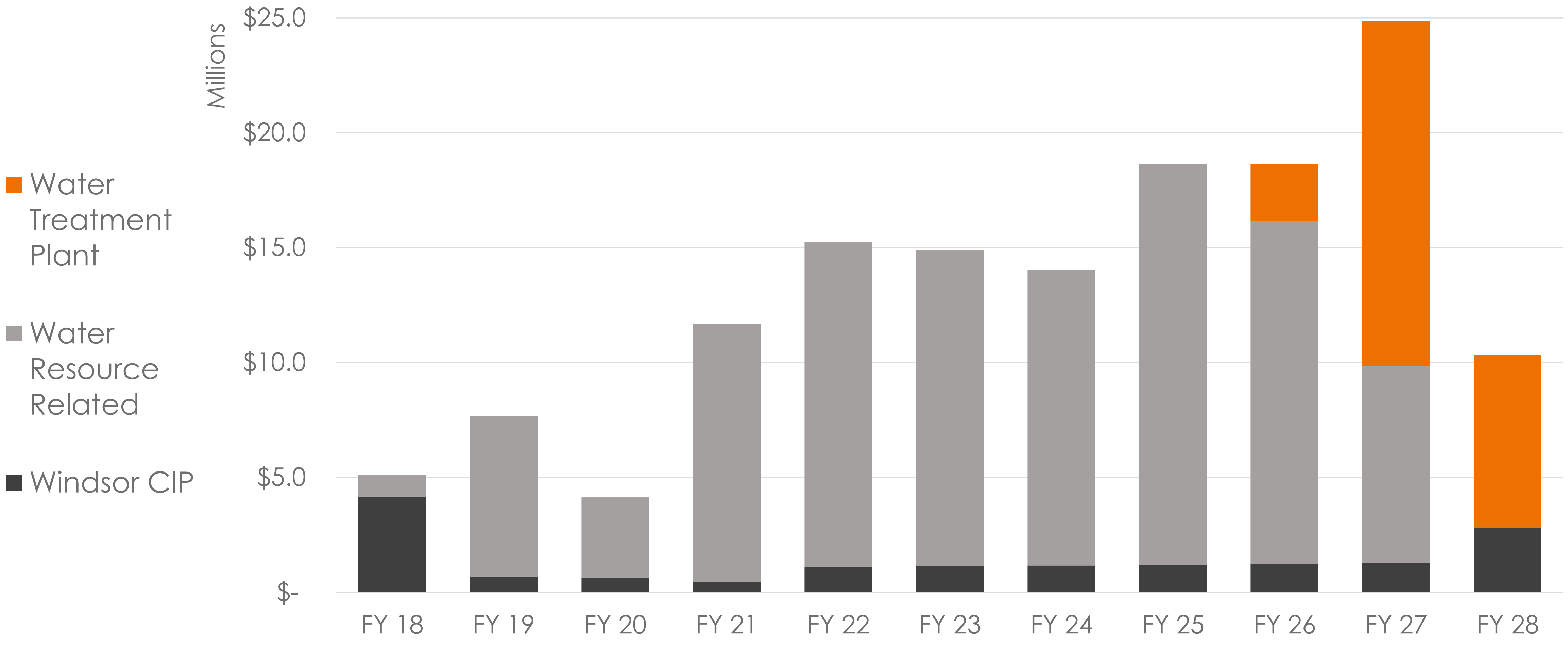


Overview

Revenue Requirements
without vs. with Raw Water Resource Projects



Capital Improvement Projects
By Function



Note: In all scenarios presented today, Water Treatment Plant is covered by new connections, not rate payers.

Scenarios

Scenario Summary

	Scenario 1 No NISP	**Scenario 2** Full Participation	**Scenario 3** General Fund Assistance
Cumulative Rate Increase	55%	119%	104%
Water Rights Acquisition	Raw water purchased on an as-needed basis	NISP Participation at $95M	NISP Participation at $95M
Debt	No debt, rate increases fund ongoing operations	$66 million projected debt issuance	$56 million of projected debt issuance
Rate Payer Share	N/A	12% Rate payers' share of raw water development projects	11% Rate payers' share of raw water development projects
Other		2 WSSC shares purchased	No WSSC shares, $6M loan from General Fund

Scenarios

Scenario Comparison

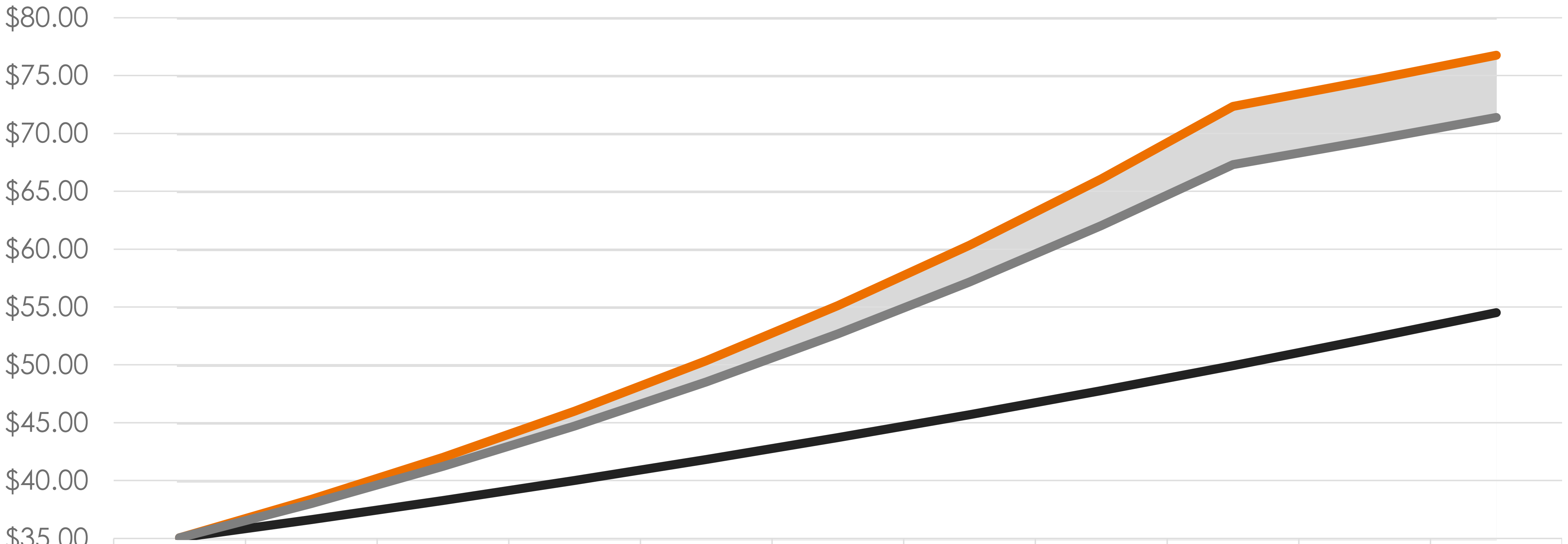
Average Monthly Bill – 5 kgal

Scenarios		FY '18	FY '19	FY '20	FY '21	FY '22	FY '23	FY '24	FY '25	FY '26	FY '27	FY '28	Impact
Scenario 1	Rate Increase	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	55.3%
Baseline No NISP	*Average Bill*	*$35.06*	*$36.63*	*$38.28*	*$40.01*	*$41.82*	*$43.72*	*$45.70*	*$47.77*	*$49.93*	*$52.18*	*$54.52*	*$19.46*
Scenario 2	Rate Increase	0.0%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	3.0%	3.0%	119.3%
Full Participation	*Average Bill*	*$35.06*	*$38.37*	*$42.01*	*$46.00*	*$50.35*	*$55.12*	*$60.34*	*$66.07*	*$72.33*	*$74.50*	*$76.75*	*$41.69*
Scenario 3	Rate Increase	0.0%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	3.0%	3.0%	103.8%
General Fund Assistance	*Average Bill*	*$35.06*	*$38.02*	*$41.24*	*$44.72*	*$48.53*	*$52.68*	*$57.17*	*$62.02*	*$67.30*	*$69.30*	*$71.38*	*$36.32*

Scenarios

Scenario Comparison

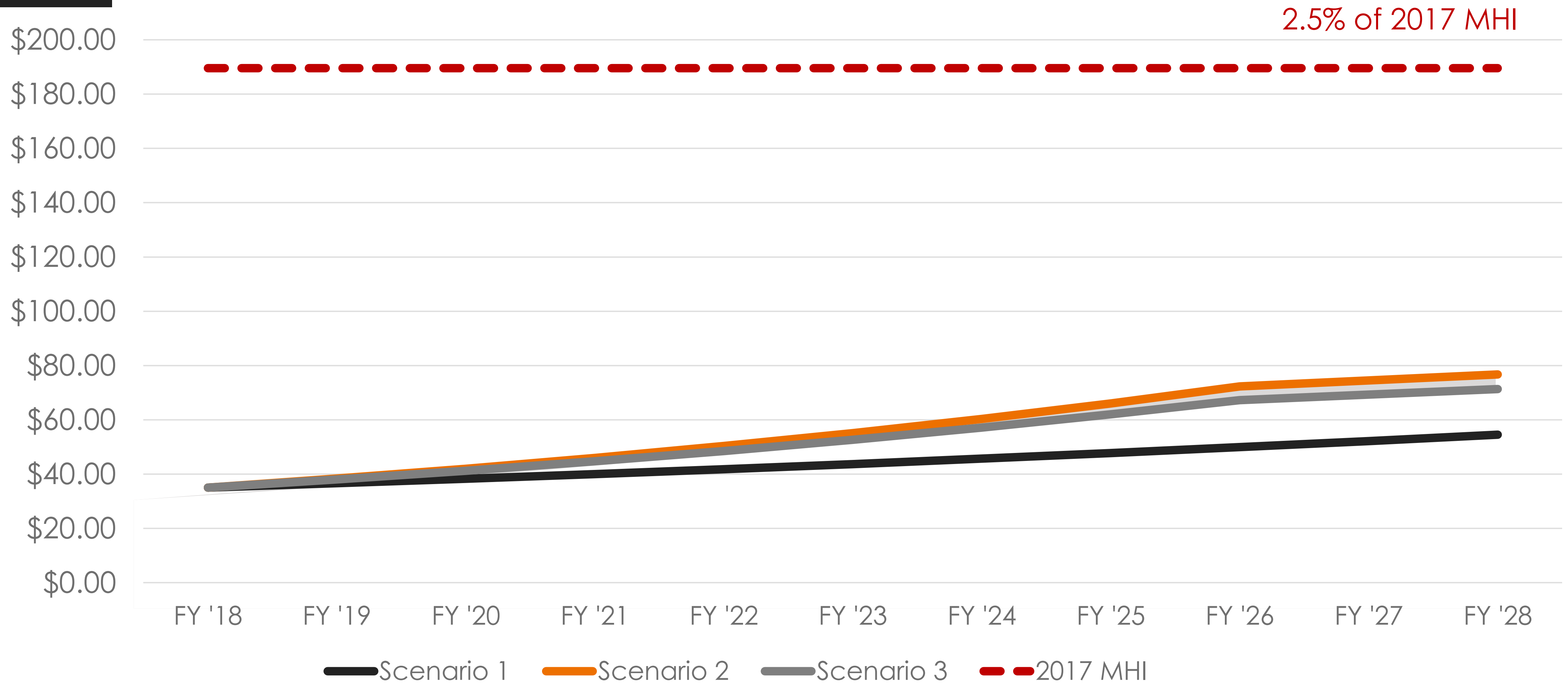
Average Monthly Bill – 5 kgal



	FY '18	FY '19	FY '20	FY '21	FY '22	FY '23	FY '24	FY '25	FY '26	FY '27	FY '28
Baseline - No NISP	$35.06	$36.63	$38.28	$40.01	$41.82	$43.72	$45.70	$47.77	$49.93	$52.18	$54.52
Scenario 2	$35.06	$38.37	$42.01	$46.00	$50.35	$55.12	$60.34	$66.07	$72.33	$74.50	$76.75
Scenario 3	$35.06	$38.02	$41.24	$44.72	$48.53	$52.68	$57.17	$62.02	$67.30	$69.30	$71.38

Scenarios

What is Affordable for Windsor?




Board Direction