



WATER AND SEWER SPECIAL MEETING
April 11, 2018 – 6:30 a.m.
2nd Floor Conference Room - 301 Walnut Street
Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the 2nd day prior to the meeting to make arrangements.

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
3. Public Invited to be Heard

B. CONSENT CALENDAR

1. Approval of the December 13, 2017 Regular Meeting Minutes
2. Approval of the March 21, 2018 Special Meeting Minutes

C. BOARD ACTION

1. Water Purchase Agreement between Windsor and Fort Collins-Loveland Water District

D. COMMUNICATIONS

1. Staff
2. Board

E. ADJOURN



WATER AND SEWER BOARD REGULAR MEETING
December 13, 2017 – 6:30 a.m.
2nd Floor Conference Room – 301 Walnut Street
Windsor, CO 80550

MINUTES

A. CALL TO ORDER

Board Chairman Kenton Brunner called the meeting to order at 6:32 a.m.

- | | | |
|---------------------|---------------------------|---------------------------|
| 1. <u>Roll Call</u> | Chairperson | Kenton Brunner |
| | Vice-Chairperson | Jack Goodell |
| | Secretary | Julie Cline |
| | | Darell Zimbelman (absent) |
| | | Jeff D'Agosta (absent) |
| | | Carlos Medina |
| | | Greg Bielawski |
| | Town Board Liaison | Cindy Scheuerman |
| Also present: | Director of Engineering | Dennis Wagner |
| | Director of Finance | Dean Moyer |
| | Town Clerk/Acting Manager | Patti Garcia |
| | Utility Billing Clerk | Erin Porter |

2. Review of Agenda by the Board and Addition of items of New Business to the Agenda for Consideration by the Board
There were no changes to the agenda requested.
3. Public Invited to be Heard
There was no public comment.

B. CONSENT CALENDAR

1. Minutes of October 11, 2017 Meeting
Board Member Bielawski moved to accept the minutes of the October 11, 2017 meeting; Board Member Cline seconded the motion. Motion carried unanimously.

C. BOARD ACTION

1. Raw Water Cash-in-Lieu of Dedication

Mr. Wagner reviewed the memo that was included with the packet in regards to cash-in-lieu for raw water dedication on all properties requesting original water service. Mr. Wagner stated that the current rate for cash-in-lieu is \$38,000.00 per acre-feet, which is based on a CBT unit costing \$26,500.00 which was established in February 2015. Per the Windsor Municipal Code Section 13-2-80 water rights should be furnished without cost to the Town.

The last shares were purchased by the Town at \$27,700.00, with an average purchase price for 2017 at \$27,448.00. This is a deficit situation if the town is charging \$26,500 per CBT unit, later using that money to buy CBT units at a higher price.

The Board discussed various options including a percentage of current rates, an average of previous 6 months rates, and setting a higher price for water than the current going rate to encourage dedication

of water shares rather than cash-in-lieu. The staff recommendation is to increase raw water cash-in-lieu of dedication to \$28,000 per CBT unit, equating to \$40,000 per acre-foot.

Chairman Brunner asked to keep the discussion on raw water dedication as a permanent item on the agenda.

Board Member Goodell moved to present an increase of cash-in-lieu dedication to \$28,000 for the consideration of the Town Board. Board Member Medina seconded the motion. Motion carried unanimously.

D. COMMUNICATIONS

1. Staff

Mr. Moyer reviewed the memo included in the board packet regarding an increase in water rates. Mr. Moyer stated the increase from our suppliers will be just shy of 5%. Mr. Moyer discussed the concerns regarding the current water budget because of NISP funding. Ms. Garcia spoke to internal conversations between staff as storm drain rates have already been approved and were set to start 1/1/18, it would be easier for the community to accept higher water rates if it happened a little later.

The Board discussed options and barriers for funding increases as well as NISP. The Board also discussed increasing the current tap fee rate to help cover the deficit caused by NISP funding. The Board agreed to recommend increasing water rates effective 2/1/18 to appear on the 3/1/18 utility bill.

Mr. Wagner discussed water consumption through October, 2017 which is the end of the water year.

Ms. Garcia discussed the water conservation efforts from 2017, including the popular National Mayor's Water Conservation Challenge where the Town of Windsor came in 4th nationwide, landscaping seminars which are held at the recreation center, a rebate program for clothes washers and toilet purchases, and the Garden in a Box program. For 2018 all previous programs will be continued except for the Garden in a Box which was not as successful. Potential additions for the program in 2019 would be sprinkler audits.

Ms. Porter advised that the Utility Billing Department was starting to pull data for winter averaging numbers for commercial/industrial accounts for sewer consumption.

2. Board

Town Board Liaison Scheuerman discussed the ongoing search for a new Town Manager.

E. ADJOURN

Board Member Goodell moved to adjourn the meeting at 7:26 am; Board Member Bielawski seconded the motion. Motion carried unanimously.

Submitted by:



Erin Porter, Utility Billing Clerk



WATER AND SEWER BOARD SPECIAL MEETING
March 21 – 6:30 a.m.
2nd Floor Conference Room – 301 Walnut Street
Windsor, CO 80550

MINUTES

A. CALL TO ORDER

Board Chairman Kenton Brunner called the meeting to order at 6:32 a.m.

1. Roll Call

Chairperson
Vice-Chairperson
Secretary

Kenton Brunner
Jack Goodell (absent)
Julie Cline
Darell Zimbelman
Jeff D'Agosta (absent)
Carlos Medina
Greg Bielawski (via phone)
Cindy Scheuerman
John Holdren

Town Board Liaison
Town of Severance Liason

Also present:

Director of Engineering
Director of Finance
Town Clerk/Acting Manager
Customer Service Supervisor
Utility Billing Clerk

Dennis Wagner
Dean Moyer
Patti Garcia
Jessica Scheopner
Erin Porter
Ron Lay
Wes LaVanchy

2. Review of Agenda by the Board and Addition of items of New Business to the Agenda for Consideration by the Board

There were no changes to the agenda requested.

3. Public Invited to be Heard

There was no public comment.

B. CONSENT CALENDAR

None

C. BOARD ACTION

1. Water Rate Study

Mr. Moyer introduced Mr. Lay from Stantec Consulting, who has been working with staff on a water rate study to help plan ahead for funding the Northern Integrated Supply Project (NISP).

Mr. Lay presented information to the board on where current funding levels, projected funding levels, and the gap between the two. The rate study made assumptions for funding, and included known fixed costs and estimated variable costs based on historical data. Capital Expenses include \$90.9M NISP expense between 2018 and 2027, \$2.3M for non-NISP projects annually and a potential \$25M Water Treatment Plant in 2027. It is estimated that our water service providers, Greeley, North Weld County Water District, and the Fort Collins/Loveland Water District will increase what they charge the Town

by 3% annually. The models that were created from this data were put into three different scenarios for growth, 100%, 75%, and 50%.

The financial goals that were identified through the rate study include maintaining combined debt service coverage at target levels, maintaining adequate reserve requirements of 90 days cash on hand, balancing rate impacts from users and development, and adequately funding future treatment and water resource needs including NISP.

The scenarios discussed included estimated growth, an annual rate increase and an additional NISP fee that would be charged developers on new building permits. All scenarios that project 100% growth factor in the \$25M Water Treatment Plant cost. The scenarios are below.

Scenario	Growth	Annual Rate Increase	Additional NISP Fee
1	100%	5.00%	\$16,400
2a	75%	5.00%	\$46,000
2b	50%	5.00%	\$86,000
3a	75%	15.00%	\$16,400
3b	50%	23.25%	\$16,400
4	100%	31.20%	\$0

The Board discussed the various scenarios and how they would impact growth, development, and current water customers.

Chairman Brunner requested information scenario information for water rate increases of 7.5% and 10%. Mr. Lay stated he would update the model scenarios including those numbers and would remove scenarios 2b, 3a, 3b, and 4, and email them to Board Members for any comments before they make the presentation to the Town Board.

D. COMMUNICATIONS

1. Staff

Ms. Porter advised that winter averaging numbers were in and would be in the new billing. Mr. Brunner asked about the average water used daily for residents, Mr. Wagner said in 2017 for non-dual systems 266 gallons per household were used per day, for dual systems, 148 gallons per household were used per day.

2. Board

Chairman Brunner advised that Northern Water had appointed a new manager.

E. ADJOURN

Board Member Zimbelman moved to adjourn the meeting at 7:52 am; Board Member Medina seconded the motion. Motion carried unanimously.

Submitted by:



Erin Porter, Utility Billing Clerk



MEMORANDUM

Date: April 5, 2018
To: Windsor Water and Sewer Board
From: Dennis Wagner, Director of Engineering
Re: Water Purchase Agreement with the Fort Collins-Loveland Water District
Item #: C.1

Background / Discussion

The current Water Purchase Agreement between Windsor and FCLWD has been in effect since March 10, 2008, and was due for renewal or termination on March 10, 2018. In accordance with that agreement, Windsor notified the district of its desire to renew for five more years. Staff from both entities have since been discussing terms for a new longer term (10 years) agreement.

FCLWD currently treats 110 million gallons per year for Windsor and that won't change in the new agreement. The main topic in the new agreement is a water system interconnection between Windsor and the district for emergency purposes only. In 2016, Windsor constructed a 12-inch water main in New Liberty Road west to WCR 13. The end of that main is less than 100 feet from the district's 12-inch main. An interconnection would provide an important emergency source of water. The agreement calls for Windsor to pay the district \$1.12 million as compensation, mostly for their investment in an existing elevated tank near the Walmart Distribution Center on Crossroads Boulevard.

The \$1.12 million was calculated as follows: \$2.67/gal. X 3,500 gpm X 120 minutes = \$1,120,000

Where:

\$2.67 = cost per gallon for elevated storage tank

3,500 gpm = emergency flow rate (equal to commercial fire flow)

2 hours = flow duration

Financial Impact

With adoption of the Water Purchase Agreement, Windsor must pay \$1.12 million.

Relationship to Strategic Plan

Thoughtful Framework and Supportive Infrastructure

Recommendation

Approval with edits as suggested by Town Attorney.

Attachments

Map

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (the “Agreement”) is made and entered into this ____ day of _____, 2017, by and between the Town of Windsor, Colorado, a Colorado home rule municipality, hereinafter referred to as the “Town” and Fort Collins-Loveland Water District hereinafter referred to as the “District”.

RECITALS

WHEREAS, the District provides water services to customers in the Northern Colorado area; and

WHEREAS, the Town has contracted with the District for domestic water service for many years, the most recent contractual agreement between the parties having been entered into on March 10, 2008; and

WHEREAS, the current Agreement will expire on or about March 10, ~~2018~~2023; and

WHEREAS, the parties have expressed their mutual desire to extend their contractual relationship ~~beyond the current expiration date~~under the terms set forth herein; and

WHEREAS, by the terms and provisions of this Agreement the Town and the District desire to set forth their understanding with regard to the District’s provision of contractual water services to the Town.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged the parties covenant and agree as follows:

1. Preamble. The parties acknowledge that the recitals set forth above are true and correct and those recitals are hereby incorporated into the body of this Agreement.

2. Prior Agreement. Upon the approval of the within Agreement by the District and the Town all prior agreements between the parties including, specifically, that certain Water Purchase Agreement dated March 10, 2008, and any extensions thereof, shall be considered void and without effect and the provisions of the within Agreement shall thereafter control the relationship of the parties.

3. Water Supply. Commencing upon the approval of this Agreement by [the governing bodies of](#) both parties and continuing for the term hereinafter defined, the District shall supply treated potable water to the Town in the maximum amount of 110,000,000 gallons per year, subject to the provisions of additional flow through a second, emergency supply connection to the District's system [as](#) hereinafter set forth. This water shall be delivered in accordance with the Town's use demands, except as herein provided, but shall in no event exceed 360,000 gallons per day or exceed the rate of 250 gallons per minute.

4. Emergency Delivery. In the event of an emergency such as a fire flow demand, main break, telemetry failure or natural catastrophe, the Town may increase its daily rate of consumption for periods not to exceed 48 hours. It is understood and agreed that such emergency consumption limited to 48-hour periods as aforesaid shall not affect the peak demand calculation hereinafter addressed as part of the ongoing rate analysis for water charges to be paid by the Town. Such additional emergency supply delivery may be provided through a combination of the primary and emergency supply points of delivery hereinafter set forth, and is subject to the availability of potable water and flow rates as determined in the sole discretion of the District.

5. Service and Facilities. The District agrees that it shall undertake all reasonable measures to provide continuous service of treated potable water to the Town in accordance with applicable state and federal regulations. The District shall provide adequate facilities to deliver water to the Town at ~~a the points~~ of delivery designated [jointly by the parties below, and such other delivery points as the parties may in the future jointly designate](#). Water provided by the District to the points of delivery to the Town will meet all applicable State and federal water quality requirements and limitations, and will include fluoride levels as determined by the District within such requirements and limitations. The District will be responsible for maintaining water quality on the District side of the points of delivery [and any for making any](#) modifications to water quality desired by the District. The District shall ensure that its facilities connected to the District's system and which receive, transmit, distribute, store or otherwise provide water supplied by the District also comply with all applicable State and federal requirements, including backflow prevention.

Comment [IM1]: Not sure if this is a typo, but it doesn't make sense

6. Points of Delivery.

(a) Primary Point of Delivery. Except as is hereinafter provided, the primary water service delivered under this Agreement shall occur at the existing master meter located at Colorado State Highway 392. This meter and all associated equipment

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are owned by the District and during the term of this Agreement the master meter shall be read and maintained by the District. All charges to the Town shall be generated from readings obtained from the master meter as aforesaid.

(b) Emergency Supply Point of Delivery. To facilitate the emergency supply called for in Section 4 above, it is understood and agreed that the Town shall be entitled to establish a second, emergency supply point of connection to the District's system at or near the intersection of Crossroads Boulevard and Weld County Road 13. The Town shall construct and pay the full cost of such connection, including construction of a specialized two-way valve and vault. The specialized two-way valve shall allow water to flow both from the District to the Town and from the Town to the District to meet the potential emergency needs of either Party. The connection shall be constructed to the specifications of the District, and upon completion ~~and~~ inspection and acceptance by the District shall be owned, operated and maintained by the District. The delivery of water through this connection shall be by master meter and such meter shall be owned, maintained and read by the District. Prior to the activation of the emergency supply connection the Town and the District shall agree upon terms and conditions governing its operation.

Comment [IM2]: change to New Liberty Road, per DW message to Chris Matkins

7. Non-Exclusive Provider. The District acknowledges that in addition to the water supply to the Town pursuant to this Agreement, the Town receives, and will continue to receive, water supplied under contracts with North Weld County Water District and the City of Greeley. By the terms of this Agreement, the District consents to such supplemental services and other water services for which the Town may contract with entities other than North Weld County Water District and the City of Greeley.

Comment [IM3]: DW: do we need their consent? Can't we just have the District acknowledge we're getting water from known existing sources and may in the future contract for others??

8. Control Valves and Vault. It is understood and agreed that the control valves and vaults on the transmission lines on the District side of the master meters at both points of delivery shall be owned, maintained and operated exclusively by the District. The District agrees not to install any control mechanisms on the Town side of the master meters. It is likewise understood and agreed that all facilities on the transmission lines on the Town's side of the master meter shall be owned, maintained and operated exclusively by the Town.

9. Delivery to Customers. It is understood and agreed that the Town shall, at its sole discretion and expense, provide all facilities necessary to transport water from the points of delivery to consumers designated by the Town.

10. Term. This Agreement shall remain in effect for a period of ten (10) years from the date of approval by the Town and the District and may be renewed by the Town for an additional five (5) year period upon notice of such renewal received by the District no later than six (6) months prior to the date of termination.

11. Rates.

(a) Standard Water Deliveries. For water delivered through the primary point of delivery, commencing on the 1st day of the month following the final approval of this Agreement, the Town agrees that it shall pay to the District the sum of Three Dollars and Forty-Six Cents (\$3.46) per one thousand (1000) gallons of potable water delivered to the Town under the terms and conditions of this Agreement. This amount shall be adjusted annually to reflect the change in the Boulder-Denver Consumer Price Index. This adjustment shall become effective upon the anniversary date of the establishment of the original rate under this paragraph.

(b) Emergency Supply Storage Charge. To compensate the District for the availability of treated water storage owned by the District and constructed at its sole cost, the Town shall pay to the District within Sixty (60) days of executing this Agreement One Million, One Hundred Twenty Thousand Dollars (\$1,120,000.000).

12. Charges and Payment. It is understood and agreed that the Town shall pay to the District as a minimum amount the charges for 110,000,000 gallons of water per year whether or not that quantity of water is taken by the Town.

The District agrees that on or about the last day of each month it shall provide a written statement to the Town for water services rendered. The Town agrees that on or before the 20th day of the following month all charges due shall be paid in full. The District reserves the right to discontinue service to the Town after first providing the Town with thirty (30) days' written notice of its default on any charges due hereunder. Discontinuation of service to the Town for failure to pay shall not relieve the Town of its obligation to pay delinquent amounts due to the District.

13. Application of Raw Water Rights. No later than May first of each year the Town shall furnish to the District such units of water of the Northern Colorado Water Conservancy District ("CBT Units") as may be necessary to satisfy the Town's usage under this Agreement. Title to such CBT Units shall remain in the name of the Town, and the Town agrees that it shall assume and promptly pay all water assessment charges which may be levied by the Northern Colorado Water Conservancy District on the CBT

Units of water required by the District for service to the Town. The District's obligation to provide water to the Town is expressly limited to the amount of water actually provided at the Soldier Canyon Water Treatment Plant pursuant to the Town's CBT Units; the CBT Units yield may vary from year to year as determined by the Northern Colorado Water Conservancy District, and in drought years may yield little or no water.

14. Service Prohibited Within District Boundaries. The Town agrees that it will not provide domestic water service to any consumers residing within the boundaries of the District during the term of this Agreement.

15. Notices. Requirements of notice hereunder shall be deemed satisfied upon mailing to the parties as follows:

Town Manager
Town of Windsor, Colorado
301 Walnut Street
Windsor, Colorado 80550

District Manager
5150 Snead Drive
Fort Collins, Colorado 80525

16. Arbitration. The parties agree that any disputes arising hereunder shall be submitted for determination through arbitration procedures subsequently agreed to by the parties. In the event the parties cannot reach agreement on such procedures, arbitration shall be conducted in accordance with the rules for commercial arbitration of the American Arbitration Association. The parties hereby agree to be bound by the good faith decision of any arbitrator or arbitrators.

17. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third-party on such Agreement. It is the express intention of the parties that any person other than parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

18. Assignment. Neither party may assign this Agreement or parts hereof or its rights hereunder without the express written consent of the other party.

19. Amendment and Modification. This Agreement may be amended or modified only in writing signed by both parties.

20. Binding Effect. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors and assigns of the parties hereto.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to ~~the pump station its subject matter~~, and sets forth the rights, duties and obligations of each party to the other as of ~~this date~~the date first appearing above. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. ~~This Agreement may not be modified except by a writing executed by the parties.~~

22. Severability. If any provision of this Agreement is determined to be unenforceable or invalid, the unenforceable or invalid part shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall be carried out with the same force as if the severed portion had not been part of this Agreement, provided that the parties both agree that the severed provision does not alter the intent and/or purpose of the Agreement.

23. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

24. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

25. Governmental Immunity. Nothing herein shall be construed as a waiver of the rights and privileges of the Town or the District pursuant to the Colorado Governmental Immunity Act, §§24-10-101, et seq., C.R.S., as amended from time to time.

26. Annual Appropriation. Pursuant to Article X, Section 20 of the Colorado Constitution and Section 11.11 of its Home Rule Charter, the Town's obligations hereunder are entered into by the Town, through its Water Activity Enterprise, and are subject to the annual appropriation of funds necessary for the performance thereof only to the extent that the Town no longer provides service through its Water Activity Enterprise or its Water Activity Enterprise is determined to not satisfy the requirements of Article X, Section 20(2) of the Colorado Constitution, in which case the Town's obligations hereunder are subject to the annual appropriation of funds necessary for the performance

thereof, which appropriations will be made in the sole discretion of the Town Board. The District's obligations hereunder are entered into by the District, through its Water Activity Enterprise, and are subject to the annual appropriation of funds necessary for the performance thereof only to the extent that the District no longer provides service through its Water Activity Enterprise or its Water Activity Enterprise is determined to not satisfy the requirements of Article X, Section 20(2) of the Colorado Constitution, in which case the District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations will be made in the sole discretion of the District's Board of Directors.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officer thereunto duly authorized as of the date first above written.

FORT COLLINS-LOVELAND WATER
DISTRICT

By: _____
President

Attest:

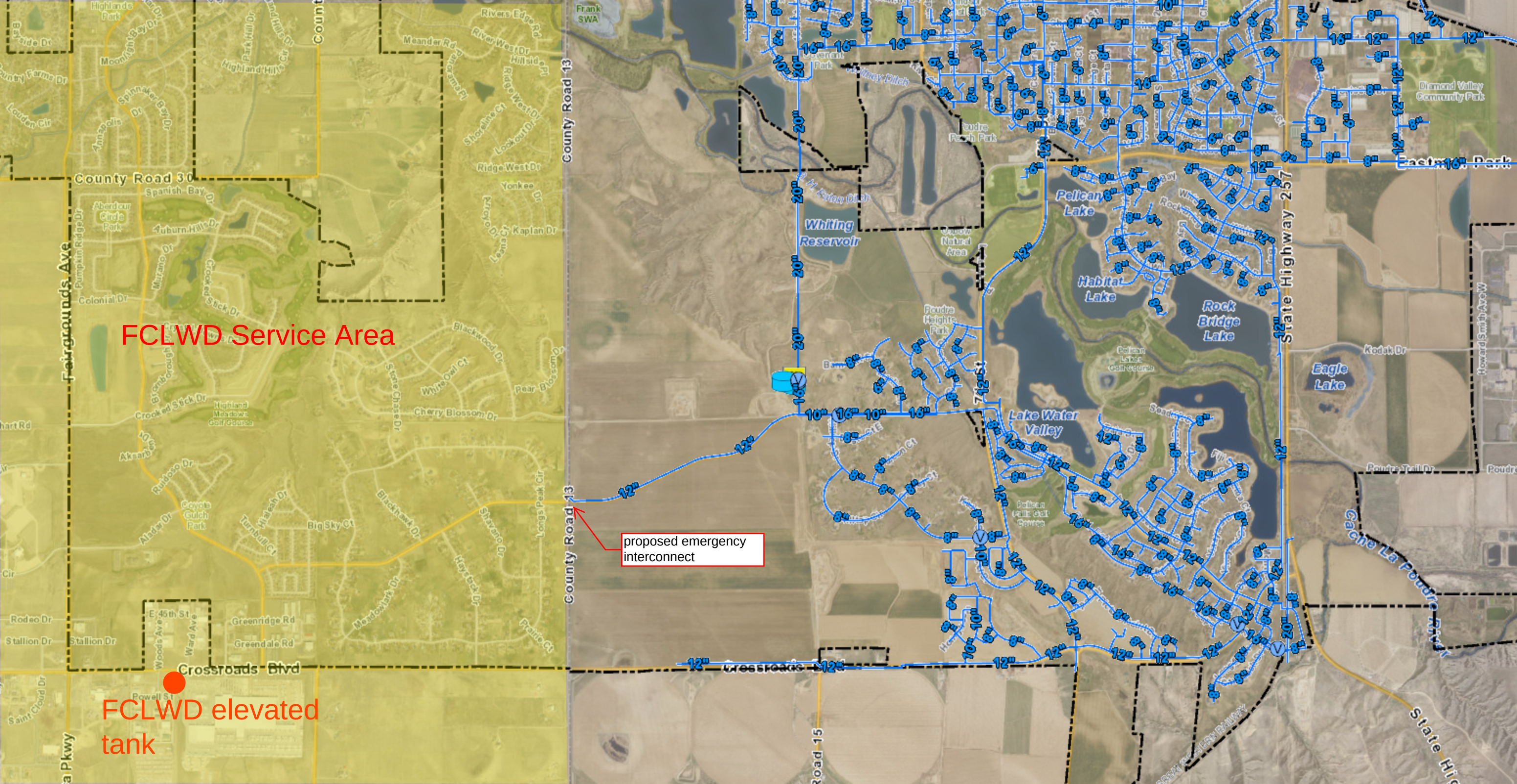
Secretary

TOWN OF WINDSOR, a Colorado municipal
corporation

By: _____
[Kristie Melendez](#), Mayor

Attest:

[Patti Garcia](#), Town Clerk



FCLWD Service Area

FCLWD elevated tank

proposed emergency interconnect