



WATER AND SEWER BOARD REGULAR MEETING
October 13, 2021 – 6:30 a.m.
2nd Floor Conference Room - 301 Walnut Street
Windsor, CO 80550
<https://windsorgov.zoom.us/j/87133789738>

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

C. BOARD ACTION

1. Approve minutes from the September 15, 2021 meeting
2. 2022 Water and Sewer Rates, Siyuan Rao and Mackenzie Lobato; Stantec
3. Stormwater Rate Increase; Karl Gannon and Dean Moyer, Town of Windsor
4. Water and Sewer Operating Budget

D. Communications

1. Northern Water Fall Symposium virtually on November 3, 2021. Register at www.northernwater.org

E. Adjourn



WATER AND SEWER BOARD REGULAR MEETING

September 15, 2021 – 6:30 a.m.

Meeting in 2nd Floor Conference Room
301 Walnut St, Windsor, CO 80550

MINUTES

A. CALL TO ORDER

Board Chairperson Bielawski called the meeting to order at 6:32 a.m.

- | | | |
|---------------------|-------------------------------|--------------------|
| 1. <u>Roll Call</u> | Chairperson | Greg Bielawski |
| | Vice-Chairperson | Carlos Medina |
| | Secretary | Janene Willey |
| | | Darell Zimbelman |
| | | Milt Tokunaga |
| | | Milton Geiger |
| | | Gale McGaha Miller |
| | Alternate | Alan MacGregor |
| | Alternate | Alan Overton |
| | Town Board Liaison | Ken Bennett |
| Also present: | Water Resources Administrator | Leif Lesoing |
| | Dir. Of Community Development | John Thornhill |
| | Customer Service Manager | Mike Lucero |

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 new agenda items considered.
3. Public Invited to be Heard
There was no public comment.

B. CONSENT CALENDAR

There were no items on the consent calendar.

C. BOARD ACTION

1. Minutes of August 11, 2021, Regular Meeting
Board Member McGaha Miller moved to accept the minutes for the August 11, 2021 meeting; Board Secretary Zimbelman seconded the motion. Motion carried unanimously.

D. PRESENTATION

1. Greeley's Water Story and Terry Ranch Project by Sean Chambers (Director of Greeley Water & Sewer) and Adam Jokerst (Deputy Director Water Resources of the City of Greeley)
Director of Greeley Water & Sewer Sean Chambers and Deputy Director of Water Resources of the City of Greeley presented information on the history and challenges of the water system in Northern Colorado and Greeley.
2. Greeley's Charter Amendment Initiatives by Harold Evans (Chairman of Greeley Water & Sewer Board)

Chairman of Greeley Water & Sewer Board Harold Evans presented information on the Greeley Charter Amendment Initiatives.

E. COMMUNICATION

1. Poudre Heritage Alliance Poudre Pour

The Poudre Heritage Alliance is hosting the 4th Annual Poudre Pour on September 25, 2021 at the Windsor History Museum to highlight the major ingredient that makes craft beer and other beverages so tasty... WATER from the Poudre River! The Poudre Pour raises awareness about local water issues and brings community members together to celebrate our Cache la Poudre River heritage and our most important natural resource: water. It includes an afternoon of fun and learning with local craft beer and beverage tastings, gourmet paired appetizers, presentations on the many facets of "water issues" in Northern Colorado, live music, tours of historical buildings, and more! Proceeds will benefit the Poudre Heritage Alliance, the 501(c)3 managing nonprofit of the Cache la Poudre River National Heritage Area.

F. ADJOURN

Board Vice-Chairperson Medina moved to adjourn the meeting at 8:09AM; Board Member McGaha Miller seconded the motion. Motion carried unanimously.

Submitted by:



Mike Lucero, Customer Service Manager



Town of Windsor, CO

Water and Sewer Board 2022 Water Rate Study Update

October 13, 2021





Agenda

1. Water Fund Annual Update
2. Water Fund Key Drivers
3. Water Fund Scenarios

What Has Changed Since Last Rate Study?

- Updated 2020 **actual** revenues and expenses and ending fund balance
- Updated from 2021 original budget to **2021 year-end projections**
- Incorporated **2022 proposed budget**
- Updated to most recent **5-year Capital Improvement Plan** for FY 2022-2026
- **Validated** key assumptions with staff

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

North Weld County Water District (NWCWD) Cost-of-Service (COS) Study

NWCWD Revenue Requirement

- O&M + Capital Costs
- Increasing costs
 - Aging infrastructure
 - Increasing water demand
 - Water supply need

Costs are Allocated by Functions

Typical functions:

- Supply
- Treatment
- Transmission
- Distribution
- Admin & Billing

Costs are Distributed to Customer Classes

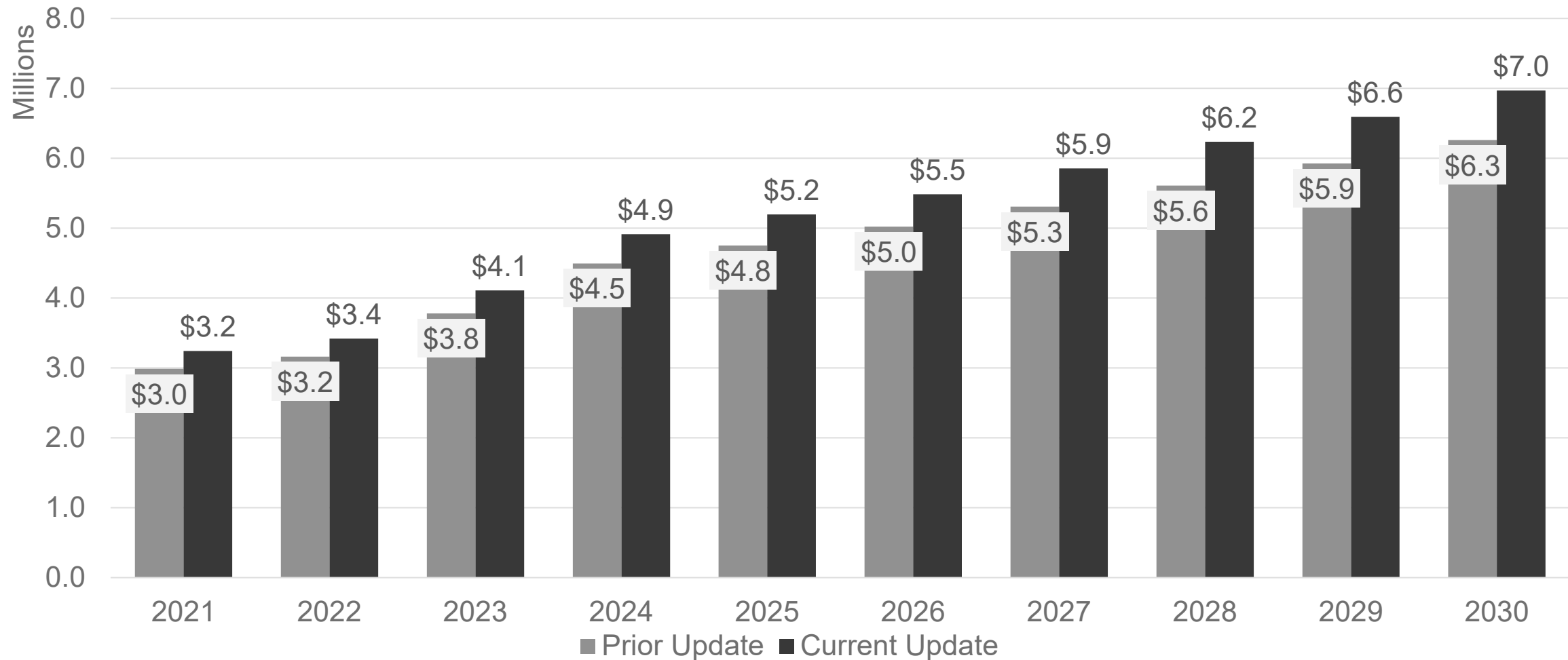
- Based on customer characteristics
- Retail (Residential, commercial, etc.)
- Wholesale Customers including Windsor

Moving to cost-of-service based rates, Windsor's water treatment cost from NWCWD is projected to increase in 2023 and 2024.

Key Drivers of the Water Rate Projection

Treatment Costs	Water Treatment Cost Projection for NWCWD • <i>NWCWD is currently updating the cost-of-service model for 2022</i> • <i>4% Increase in 2022. COS-based rates with potential two years of 25% increase in 2023 and 2024</i>
Growth	Growth projection was evaluated at various levels • <i>80% of projected growth through 2031</i>
NISP	Timing of NISP project, currently beginning large cash outflows in 2023

Total Treatment Costs Projection



Growth Projections

- Growth estimates updated to be consistent with economic development reports

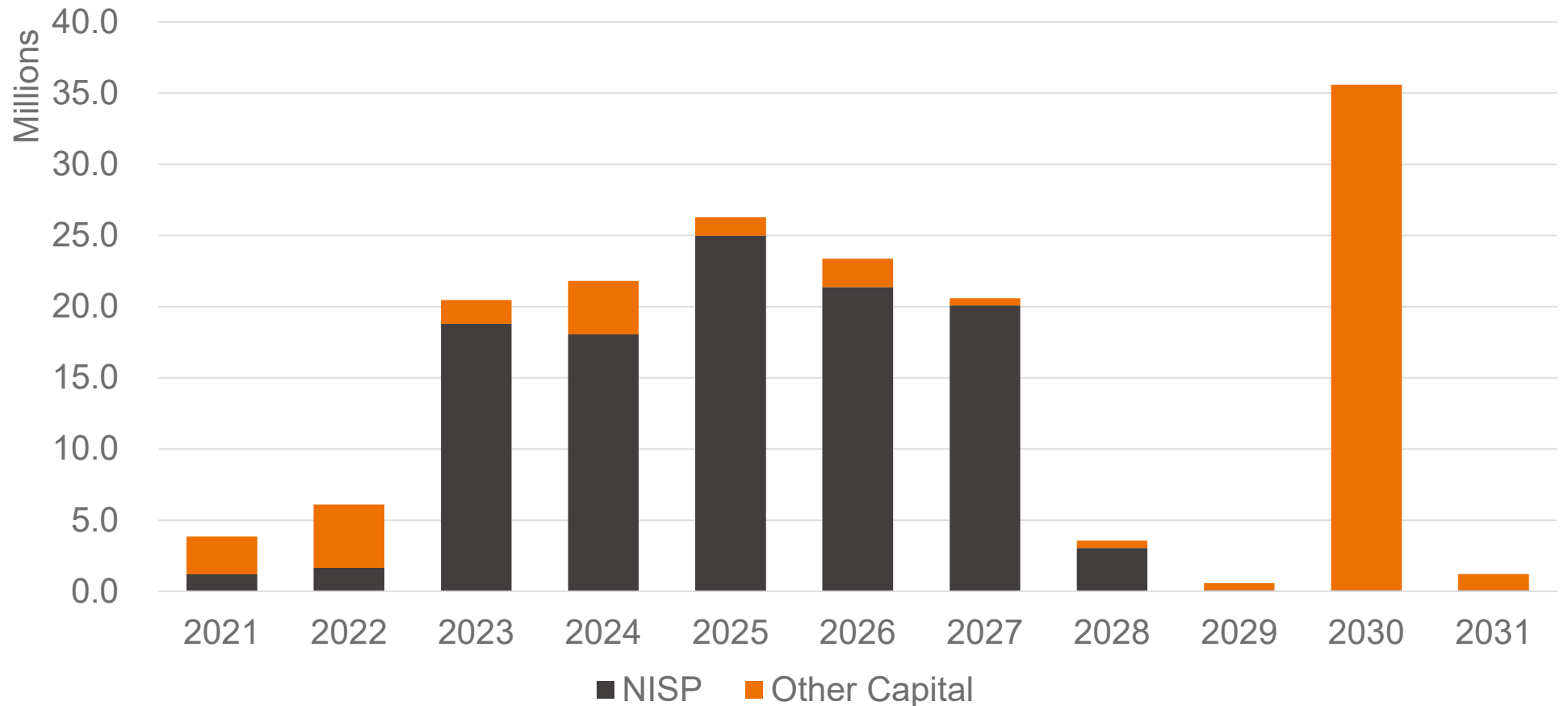
Growth Area	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
RainDance SFE's	1,048	352	352	-	-	-	-	-	-	-	-
Other New Developments	0	290	364	380	320	290	590	550	350	350	350
Total	1,048	642	716	380	320	290	590	550	350	350	350
Total @ 80% Growth	838	514	573	304	256	232	472	440	280	280	280

Note: 80% growth execution is applied through 2031

NISP Costs Projection

NISP/Capital Project Costs Projection

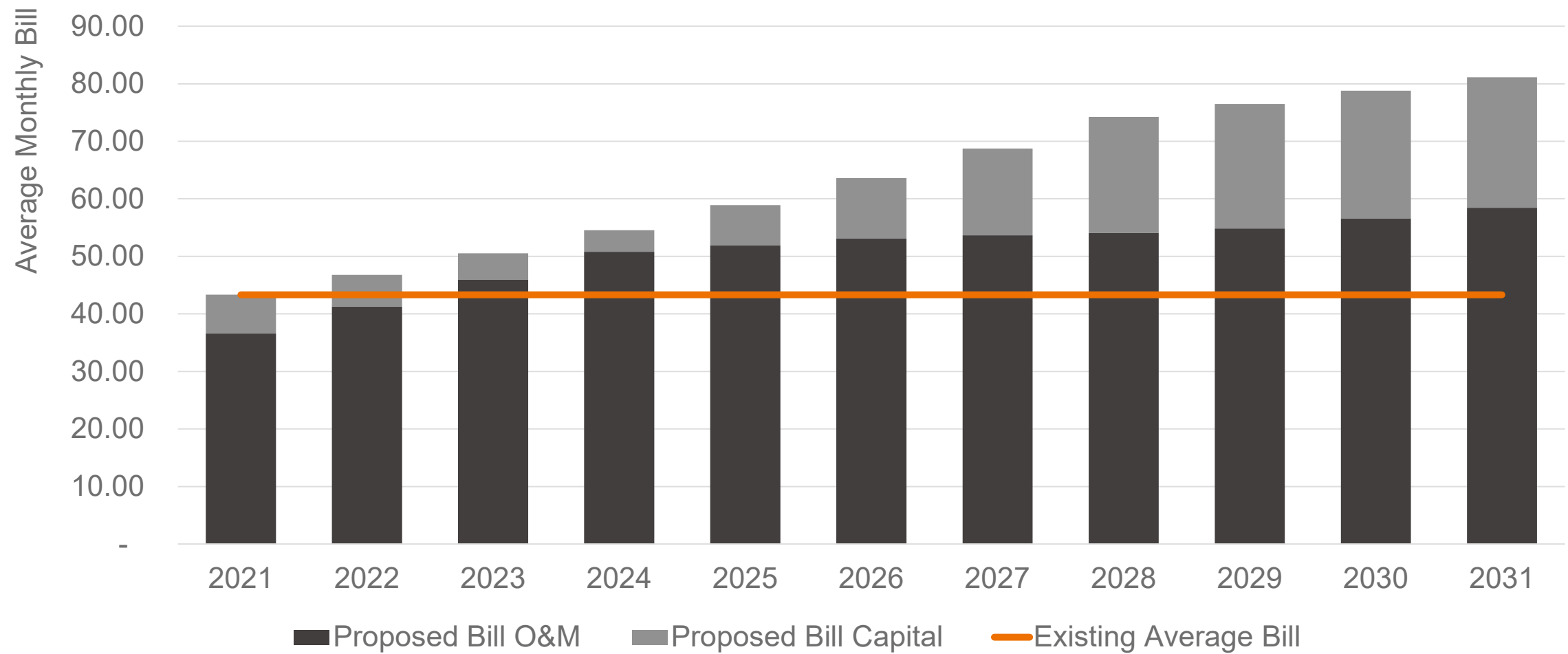
- FY 2021 - 2022 costs are annual NISP related O&M costs
- Other Capital includes Water Line Replacement and other R&R projects
- \$35M Regional Water Treatment Plant in 2030



O&M and Capital Portion of Average Bill

Avg. Bill based on 5kgal

Average Bill

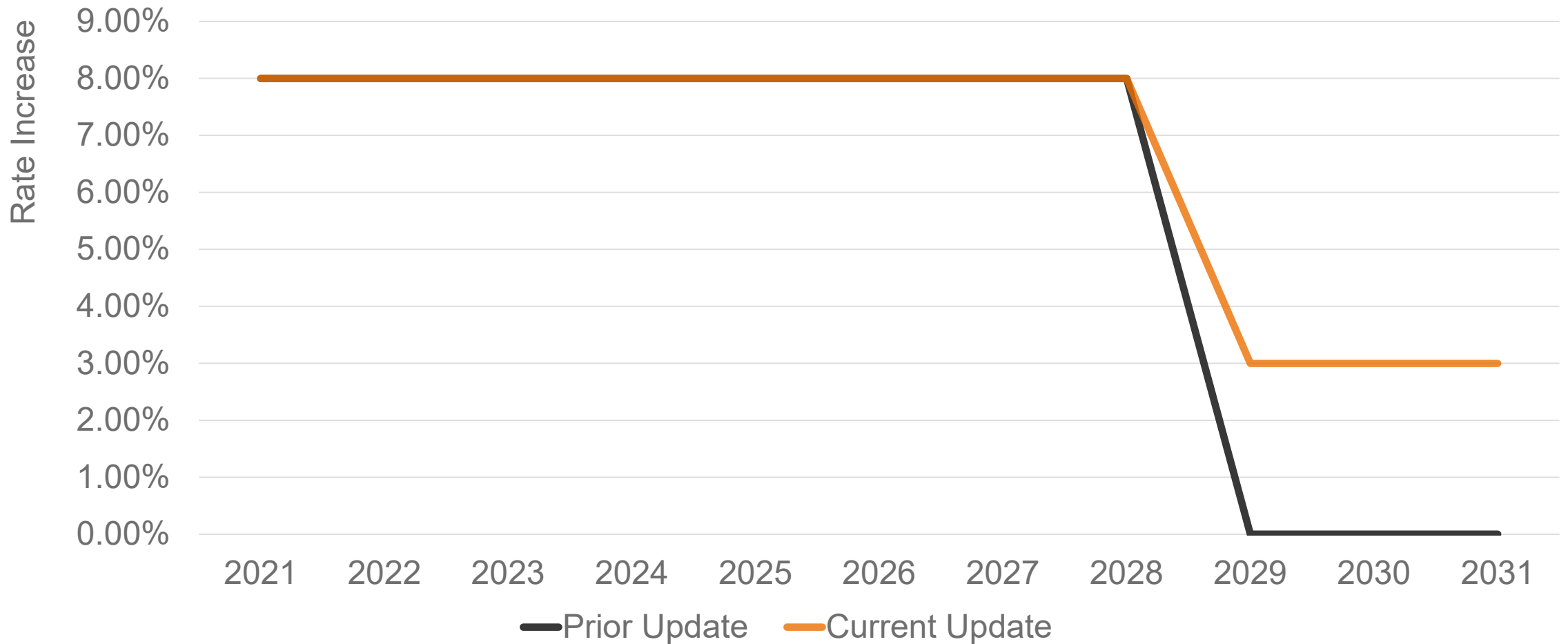


Scenarios



Scenarios

Water Fund Rate Projection



Water Fund Scenario Summary

	Prior Update	Current Update
Rates	8.0% annual rate increases from FY 2021-2028 only	8.0% annual rate increases from FY 2021-2028 3.0% inflationary increases from FY 2029-2031
Growth Execution	80% Growth Execution	80% Growth Execution
NISP	NISP starts in FY 2023	NISP starts in FY 2023



Board Discussion & Feedback

