



WATER AND SEWER BOARD REGULAR MEETING
December 16, 2020 – 6:30 a.m.
<https://windsorgov.zoom.us/j/94346544604>

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. Approval of Minutes
2. Ad Hoc Committee Review for 2021

D. PRESENTATIONS

1. Sante Fe, New Mexico Landscape code compared to Windsor, Colorado presented by Alan Macgregor

E. COMMUNICATIONS

1. Drought management plan/Governor's activation of Phase 3

F. ADJOURN



WATER AND SEWER BOARD REGULAR MEETING

November 18, 2020 – 6:30 a.m.

Meeting via Zoom

Windsor, CO 80550

MINUTES

A. CALL TO ORDER

Board Chairperson Bielawski called the meeting to order at 6:31 a.m.

1. <u>Roll Call</u>	Chairperson	Greg Bielawski
	Vice-Chairperson	Carlos Medina
	Secretary	Janene Willey
	Youth Advisory Board Member	Hunter Rivera
		Darell Zimbelman
		Milt Tokunaga
		Milton Geiger
		Gale McGaha Miller
	Town Board Liaison	Ken Bennett

Also present:	Director-Community Dev.	John Thornhill
	Water Resources Administrator	Leif Lesoing
	Town Manager	Shane Hale
	Dir. Admin Services	Jess Humphries
	Customer Service Manager	Mike Lucero
	Utility Billing Admin Specialist	Erin Porter
	Budget Analyst	Karl Gannon
	WWTP Supervisor	Dennis Markham
	Stantec	Ethan Harden
	Stantec	Siyan Rao
	Citizen	Alan McGregor

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

Motion to add line item to Board Action to Vote on 2021 Water/Sewer/Storm Water Budget. **Board Member Zimbelman moved to add line item to agenda; Board Secretary Willey seconded the motion. Motion carried unanimously.**

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 October 14, 2020 Regular Meeting
Board Member Miller moved to accept the minutes for the October 14, 2020 meeting; Board Member Geiger seconded the motion. Motion carried unanimously.
2. Stantec Rate Model Presentation

Stantec representatives Ethan Harden and Siyan Rao presented a proposal to the Board regarding the work they have been doing in conjunction with the Town since mid-year to include key points of a) Sewer Rate Study; b) Sewer Plant Investment Fees; c) Sewer Financial Planning; d) Water Fund Key Drivers and e) Water Fund Scenarios.

When looking at a rate study the information includes how much to collect, from whom it is being collected, and how to collect. The study presented Board Members with the knowledge that Windsor is currently charging below the local community average for sewer rates.

Mr. Harden proposed that Windsor implement a one-time Plan Investment Fee (PIF) going forward for new builds to finance growth portions of system capacity. The combined methodology of cost displacement includes the existing system capacity and new capacity from growth Capital Investment Plan (CIP) To meet growth expectations and cost displacement, the average residential customer yearly price increased from last analysis.

Ms. Rao presented the 10-year model that Stantec developed that highlights the sources of funds and use of those funds, with the goal being that there is enough revenue to implement the costs necessary for maintaining current residential need and plan for growth. The key sewer projects include biosolids handling at \$17 million and a new Waste Water Treatment Plant (WWTP) at \$47 million. The optimized way to fund these projects is a combination of increasing rates and debt financing.

Stantec suggested a 10% fee increase in 2021 and a 10.5% increase in years 2022-2026, with rates stabilizing in years 2026-2030 taking residential customers gradually from the current rate of \$20 per month to \$36.50 per month in years 2026-2030. This model better reflects the cost of the new WWTP, but will need to be reevaluated as operating revenue and costs change yearly.

WWTP Supervisor Dennis Markham addressed Board questions regarding the Federal nutrient standards and requirements for easing the use of the current WWTP and its capacity into the new system when it is operational. The Town's current WWTP has not yet reached capacity but with projected growth it will overwhelm the current system. The new WWTP will ease the potential of reaching system over use and will satisfy Federal guidelines.

Town Manager Shane Hale addressed Board questions regarding the Town of Severance and how their growth has affected our WWTP. The Town of Severance has many options that they are considering moving forward, and that may include the building of their own Severance WWTP in the future. Mr. Hale also discussed other challenges facing the Town in the near future.

Ms. Rao spoke about the cost of service/rate development model and the company Stantec has been getting valuable info from WWTP Supervisor Dennis Markham during this period. They evaluated the industrial and commercial customer sampling from data provided by Mr. Markham. This would influence a quality/quantity approach in rate evaluations for these customer bases.

Board Chairperson Bielawski asked where the new WWTP would be located and Dennis Markham explained that that new system would be directly east adjacent to the plant now in operation. This is property already owned by the Town.

The Board discussed the proposal and the pros and cons of the information in the study presented by Stantec.

Stantec representative Mr. Harden then presented on the Water Fund utilizing actual revenue and expenses from 2019, and updating the 2020 original budget to reflect the 2020 year-end projections.

The study incorporated the 2021 proposed budget and it was updated to include the most recent 5-year CIP for fiscal years 2021-2025. This CIP took into consideration sustainable infrastructure and strategic growth including Northern Integrated Supply Project (NISP) considerations.

Key considerations for the Water Rate Project are growth, treatment costs with a 4% increase in 2021, and NISP cash outflows that would begin in 2023. Rate increases each year until 2026 would then be projected to level off to support costs and growth.

Board Member Tokunaga questioned if we would be ready to apply for any Federal grants for Town infrastructure that may be presented by Congress. Finance Director Dean Moyer assured the Board that the Town would apply for any funds or grants with expedience.

The Water Fund Scenario summary includes an update from projected rate increases of 7.5% annually to 8% for years 2021-2027, then levelling out through 2030.

Board Secretary Willey moved to approve the rate increase of 10% for Sewer and the rate increase of 8% for Water based on staff recommendation and the Study presented by Stantec: Board Member Miller seconded the motion. Motion carried unanimously.

3. Presentation of Water/Sewer/Storm Water Budget

Finance Director Dean Moyer introduced Budget Analyst Karl Gannon to present the 2021 budget for Water/Sewer/Storm Water to the Water and Sewer Board. All information from the budget pertinent to the Water and Sewer Board was discussed. Questions were addressed by not only Mr. Gannon but also Mr. Moyer. All budget information was presented to the Water Board during the meeting and can be accessed on the Town website once it's adopted by the Town Board.

The floor was then opened to questions from Board members. Member Tokunaga wanted clarification on reserve funds and balances, and Mr. Gannon clarified that per the Board recommendations set in place in 2017 that the Town keeps three months of Operating Expenses in the Enterprise Fund and the depreciation balances are carried over from the previous year.

Member Wiley asked if the Town may see some unforeseen budget expenses due to the Cameron Peak Fire and Director of Community Development, John Thornhill offered information on his past experiences when he worked in Greeley. Mr. Thornhill explained that concerns of ash and debris getting into the Treatment Plant were already being addressed. Mitigation plans are already in place to treat important water sheds. There could be unforeseen rate increases in the future, but for the time being, the budget doesn't reflect that possibility. Funding to cover this possible expense will be available. Water rights might play into how this possible scenario will come to pass. It was suggested that the Town Board should be made aware of these possible budget requirements when they meet.

Board Member Geiger moved to approve the 2021 Water/Sewer/Storm Water Budget to be presented to the Town Board. Board Vice Chairperson Rivera seconded the motion. Motion carried unanimously.

4. Ad Hoc Committee Review

Board Vice Chairperson Medina moved to table this item to next month. Board Secretary Willey seconded the motion. Motion carried unanimously.

D. PRESENTATIONS AND DISCUSSION

1. Stromberger Farm Acquisition

Water Resources Administrator Leif Lesoing spoke about the acquisition. Located outside of Windsor on the South Side of Highway 392/County Road 21. Citizens of Windsor had expressed the need for Open Space/Community Buffers and this property provided that. 5 1/3 shares of New Cache Irrigation Company Water and 12 shares of Cache la Poudre Reservoir are included in the purchase. There are 3 irrigation wells on the property. One is a Coffin Well and two are Poudre Plan Wells. The cost of the property is \$3.95 million. The sellers have a long history with the Town of Windsor. The farm is about 140 acres over three parcels. The sale closes on January 6, 2021. The Town will lease back the property to agricultural users. The property is very well maintained. Leif Lesoing, Shane Hale and John Thornhill toured the farm in October. This acquisition provides 100 acre-feet towards the requirement for the non-potable master plan between the Reservoir and the New Cache Direct Flow.

There were no questions for Mr. Lesoing or Mr. Thornhill about this acquisition.

Board Chairperson Bielawski proposed to table agenda items Northern Water Fall Quota until next month's meeting in hopes that more snowfall data would be available at that time.

Board Member Miller moved to table that item until December's meeting. Board Vice-Chairperson Medina seconded. Motion carried unanimously.

Board Chairperson Bielawski proposed to change the date of the next Water Board meeting from December 9, 2020 to December 16, 2020.

Board Member Miller moved to change the Water Board meeting from December 9, 2020 to December 16, 2020. Board Vice-Chairperson Medina seconded. Motion carried unanimously.

E. COMMUNICATIONS

1. Update of October meeting minutes to reflect change of meeting date from November 11, 2020 to November 18, 2020.

Please note in the minutes that the bylaws of the Water and Sewer Board, that a vote of the members is necessary to move the date of a meeting. This vote was carried out via emails to all Water and Sewer Board members. Every member was in favor of moving that meeting from November 11, 2020 to November 18, 2020.

F. ADJOURN

Board Member Geiger moved to adjourn the meeting at 8:42 am; Board Vice-Chairperson Medina seconded the motion. Motion carried unanimously.

Submitted by:

A handwritten signature in blue ink, appearing to read "Erin Porter". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Erin Porter, Utility Billing Administrative Specialist