



WATER AND SEWER BOARD SPECIAL MEETING
January 23, 2019 – 6:15 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

C. BOARD ACTION

1. Approval of the December 12, 2018 Minutes

D. PRESENTATIONS AND DISCUSSION

1. Election of Officers
2. Water Rates Presentation
3. Meeting Schedule discussion

E. COMMUNICATIONS

1. Staff
2. Board

F. ADJOURN



WATER AND SEWER BOARD REGULAR MEETING
December 12, 2018 – 6:30 a.m.
2nd Floor Conference Room – 301 Walnut Street
Windsor, CO 80550

MINUTES

A. CALL TO ORDER

Board Chairperson Bielawski called the meeting to order at 6:30 a.m.

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|---------------------|--|--|
| 1. <u>Roll Call</u> | Chairperson
Vice-Chairperson
Secretary | Greg Bielawski
Carlos Medina
Julie Cline
Darell Zimbelman
Milt Tokunaga
Milton Geiger
Janene Willey
Ken Bennett |
| | Town Board Liaison | |

Also present:

Director of Engineering Town Attorney Water Resources Manager Storm Water Coordinator Customer Service Supervisor Utility Billing Clerk	Dennis Wagner Ian McCargar John Thornhill Janine Hegeman Jessica Scheopner Erin Porter
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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
There was no public comment.

B. CONSENT CALENDAR

1. Minutes of October 10, 2018 Regular Meeting
Board Member Tokunaga moved to accept the minutes of the October 10, 2018 Meeting; Board Member Geiger seconded the motion. Motion carried unanimously.
2. Minute of November 7, 2018 Special Meeting
Board Member Zimbelman moved to accept the minutes of the October 10, 2018 Meeting; Board Member Medina seconded the motion. Motion carried unanimously.

C. BOARD ACTION

There was no action taken by the Board.

D. PRESENTATIONS AND DISCUSSION

1. MS4 Permit Status Update
Ms. Hegeman presented information about the Municipal Separate Storm Sewer System (MS4s) permitting process and the where the Town is in that process.

Ms. Hegeman described what the MS4 permit was for and gave historical context for why the Town must now be in compliance with Federal and State regulations. The permitting process was put in place to prevent harmful pollutants from being washed or dumped into sewer and storm drainage systems. The Town of Windsor received notification in 2012 that we now falls under Phase II permitting because of the population, and we received certification February 2018.

Ms. Hegeman stated the permit needs to be updated every 4 years, and presented the status of the current Program Description Document (PPD) reflecting implementation, and stated that it is presentable to the Colorado Department of Public Health and Environment (CDPHE). The CDPHE can do desktop audits from this document and may use this to complete a full audit if warranted.

There are 5 different pollution prevention programs and one public involvement process required in the permit. The 5 pollution prevention programs are: Public Education and Outreach, Illicit Discharge Detection and Elimination, Construction Sites, Post-Construction SW Management, and Municipal Operations.

For the Public Education and Outreach program, fliers were sent to auto shops and gas stations in Town providing information about the permitting program and advising them that the Town is now under more regulation and representatives may stop in from time to time. The permit requires 4 qualifying activities per year.

For the Illicit Discharge, Detection and Elimination Program, the Town has to have a map of outfalls in Town as well as track pouring areas and clean up spills. The town is working on ways for the public to report discharge.

For the Construction Sites Program, changes to the code, completion of the PDD, revision of documents currently used in the review and inspection software for a phone dedicated to this purpose are still pending. Meetings scheduled with the NOCO HBA Government Affairs Board and informal meeting with construction site operators are planned.

For the Post-Construction Stormwater Management program, the code language regarding the long term Operations and Maintenance (O&M) is being discussed, and the Storm Drainage Criteria Manual needs to be re-written.

For the Municipal Operations program, there are requirements for bulk storage within the PDD. There is discussion within the Town that Parks and Public Works will be housed in facilities on the current Public Works campus which will be expanded to accommodate this. While this is in design stage, it is a good opportunity to include the MS4 requirements in the designs.

2. Water Demand and Supply Presentation

Mr. Thornhill presented information to the Board regarding supply and demand of current water resources. Mr. Thornhill stated that approximate 720,000 gallons are being treated per year.

The average winter water demand for the Town is 1.3 million gallons per day, and summer demand is around 4 million gallons per day. Mr. Thornhill also stated that the majority of taps resulting from growth are dual system allowing for non-potable irrigation systems, but that 94% of current usage is used by residential consumers.

Mr. Thornhill reviewed the current Potable Water Master Plan (PWMP). Mr. Thornhill stated that when the plan was written in 2009, there was a concern with a one dimensional water supply, and the plan focused on water acquisition, reviewing the water dedication policy, reviewing the Northern Integrated Supply Project (NISP) participation level, finding alternative funding sources for NISP, and identifying the target water portfolio.

Mr. Thornhill stated that the Town currently has 5,818 units of Colorado Big Thompson (CBT) water units, which includes 1,959 units from the North Poudre Irrigation Company (NPIC). One unit of CBT equals 1 acre foot (af) of water. The firm yield for CBT is set at 50%, the average yield is 70% and the yield that is currently used for planning is 60%. 3,490 af are predicted using the 60% yield for planning.

In 2017, the potable demand was 2,106 af, The PWMP calculated the demand at 100% build-out, or 102,000 residents. The demand that was determined at full build-out was calculated at 12,542 af. Of that total, 9,900 af were calculated for residential water demand and 2,643 af for commercial and other water demand.

Mr. Thornhill stated that the gap from what the Town currently has for water and what it would need at full build-out is around 8,731 af. In order to meet the gap, the PWMP recommended acquisition of water rights from CBT, NPIC, Water Supply & Storage Company (WSSC) and Windy Gap. Future sources would be treated by North Weld at the Soldier Canyon treatment plant.

There were several key findings and recommendations of the PWMP, including: altering water dedication calculations to include surcharge and losses, shift water dedication policy to 50% dedication and 50% cash-in-lieu (CIL), and evaluate CIL price each year to be set near CBT price. Mr. Thornhill stated that he is evaluating the CBT costs quarterly because they have been rising quickly.

E. EXECUTIVE SESSION

Board Member Tokunaga moved for the Board to enter into an Executive Session at 7:44 am; Board Member Zimbleman seconded the motion. Motion carried unanimously.

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 water resources.

Recording and minutes paused during executive session.

The Board returned to the regular meeting at 8:26 am.

F. COMMUNICATIONS

1. Staff
There was no staff communication.
2. Board

Board Member spoke about the new calendars that were put out by the Tree Board. The Board discussed the calendar and possible cooperation between the Tree Board and the Water and Sewer Board.

Board Chairman Bielawski asked if the new water rate increase had been approved by the Town Board. Ms. Scheopner confirmed that the new water rate increases current rates by 3.29% was approved by the Town Board and will be effective on 2/1/19, which will reflect on the 3/1/19 bill.

Board Chairman Bielawski asked about water rights being transferred to the sports park. Mr. Thornhill advised that there was a historical agreement with Diamond Valley, and the transfer was just housekeeping.

Board Chairman Bielawski discussed the Northern Water Fall Water Users Meeting and the current capacity of the Colorado River Basin.

G. ADJOURN

Board Member Tokunaga moved to adjourn the meeting at 8:40 am; Board Member Cline seconded the motion. Motion carried unanimously.

Submitted by:

A handwritten signature in blue ink, appearing to read "Erin Porter", is written over a light blue horizontal line.

Erin Porter, Utility Billing Clerk



Town of Windsor, CO

Water Rate Study

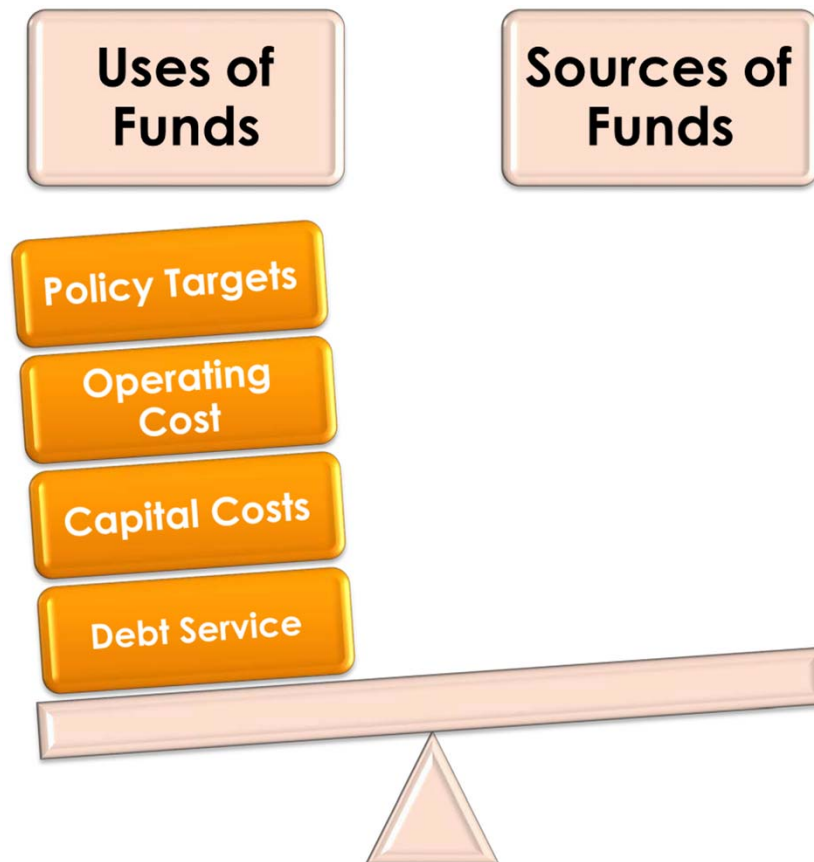




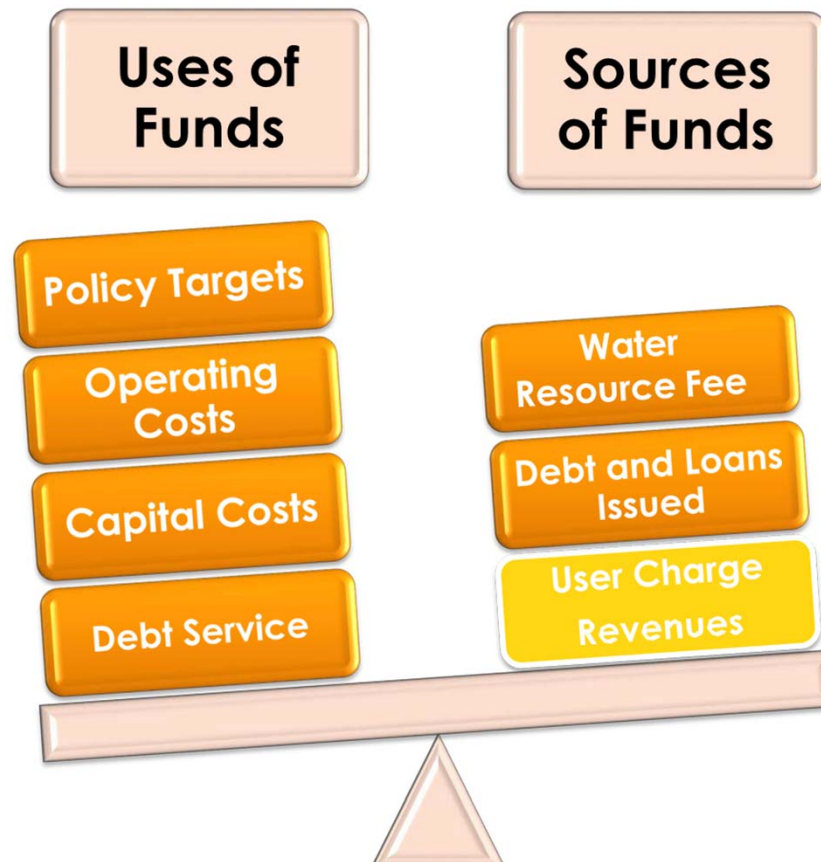
Agenda

1. Overview
2. Water Fund Scenarios

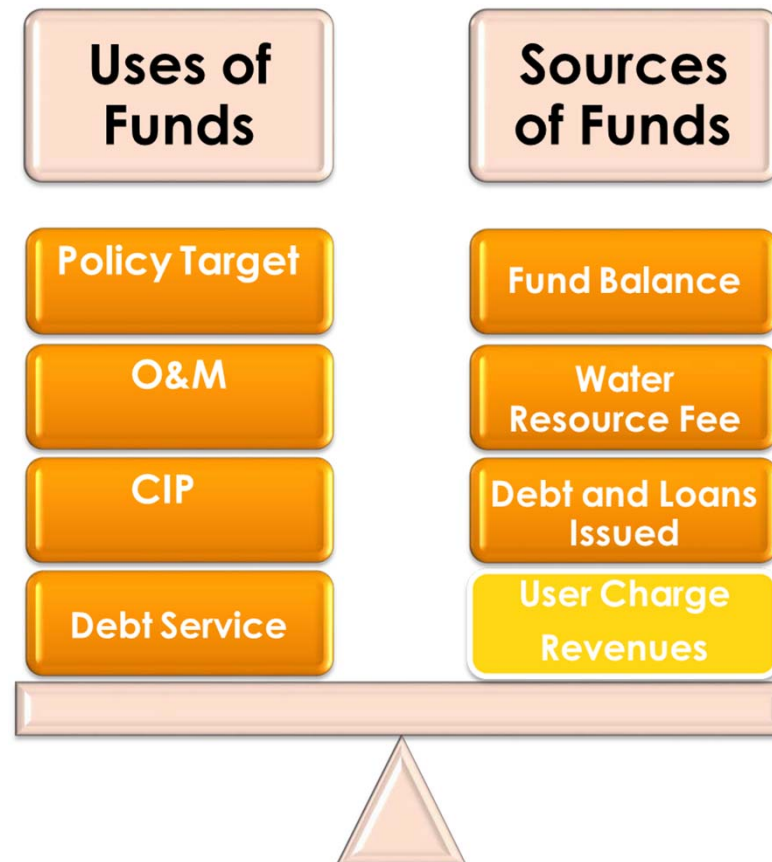
Utility's financial plans balance sources and uses of cash



Primary purpose is to determine the level of user charges needed



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



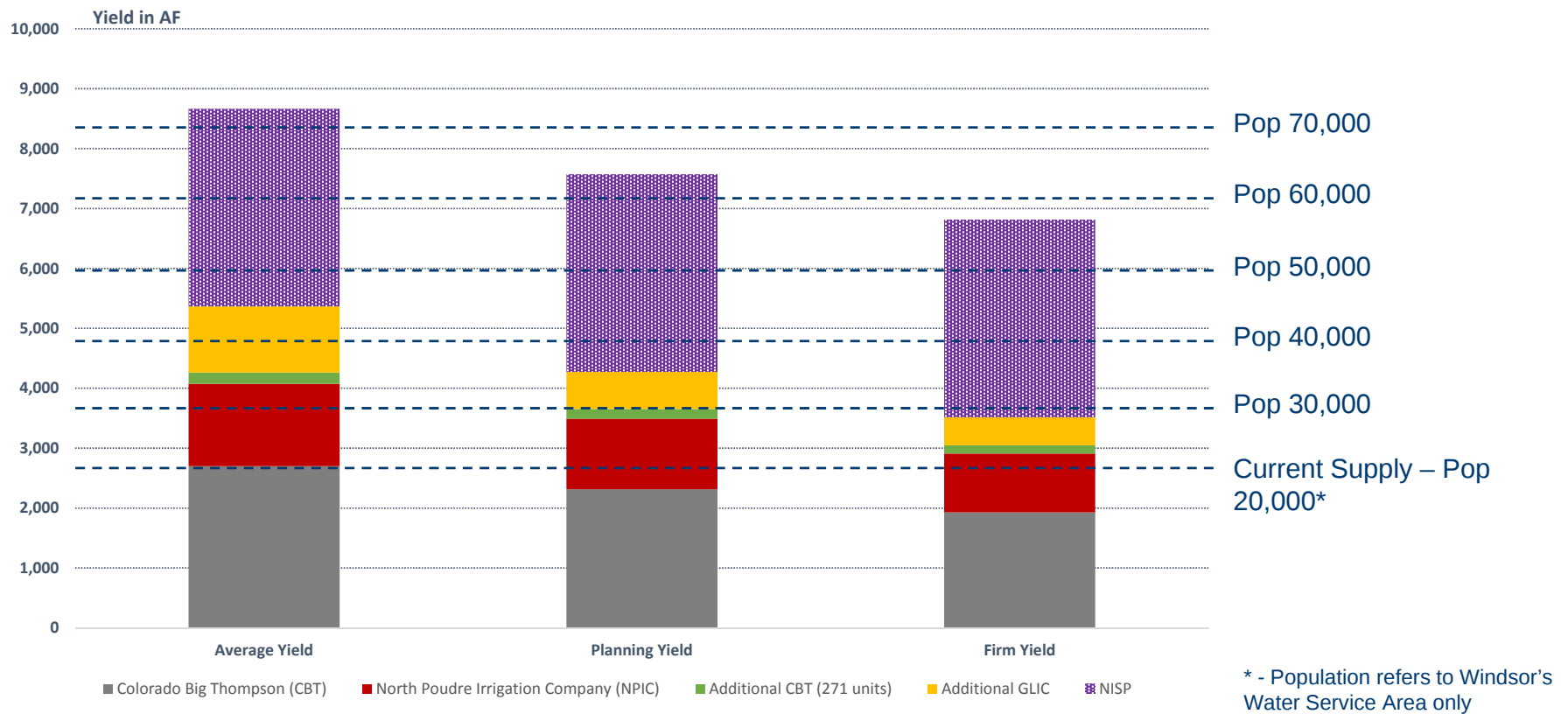
Determining Future Demand

- Demand was based on the Comprehensive Plan *at Buildout (~ 102,000 residents)*
- Current Potable Demand (2017) = 2,016 AF
 - With losses = 2,724 AF
- Build-out Potable Demand = 12,542 AF*

*Future potable demand number does not include system losses (9%) or surcharge (17%) from water treatment providers



Current + Incoming Water Supply Yields Comparison

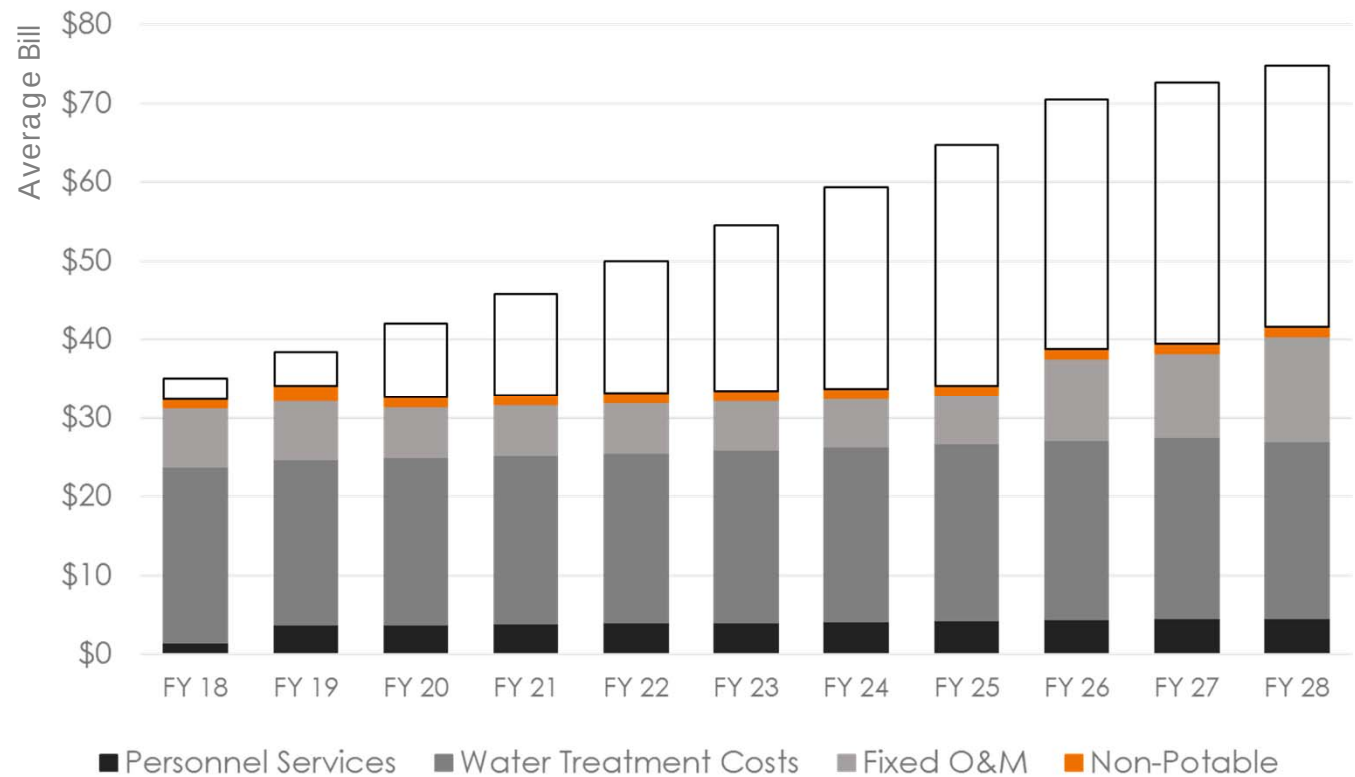


Growth Assumptions

- 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

O&M Assumptions portion of Average Bill

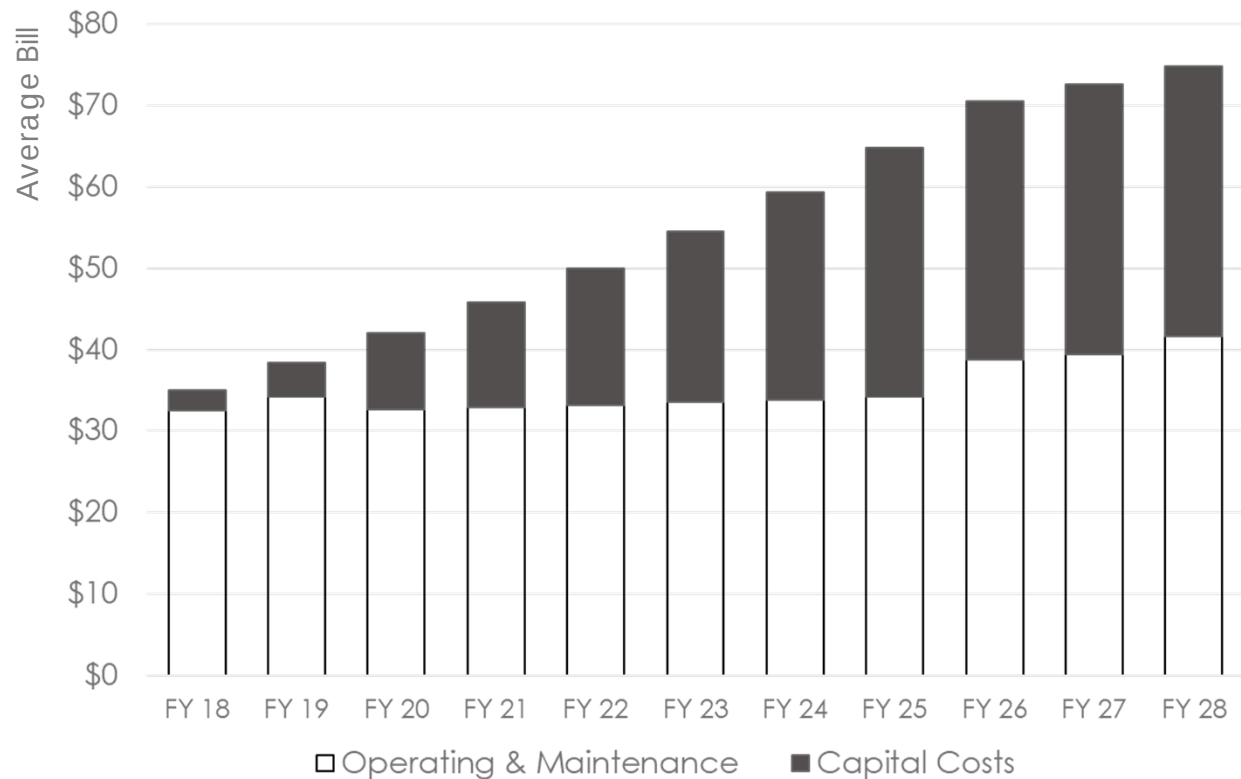
- Escalated at 3%, unless otherwise noted
- Water Treatment Costs increase at about 3% per year
- NISP Operation costs online in 2026



Capital Expense Assumptions

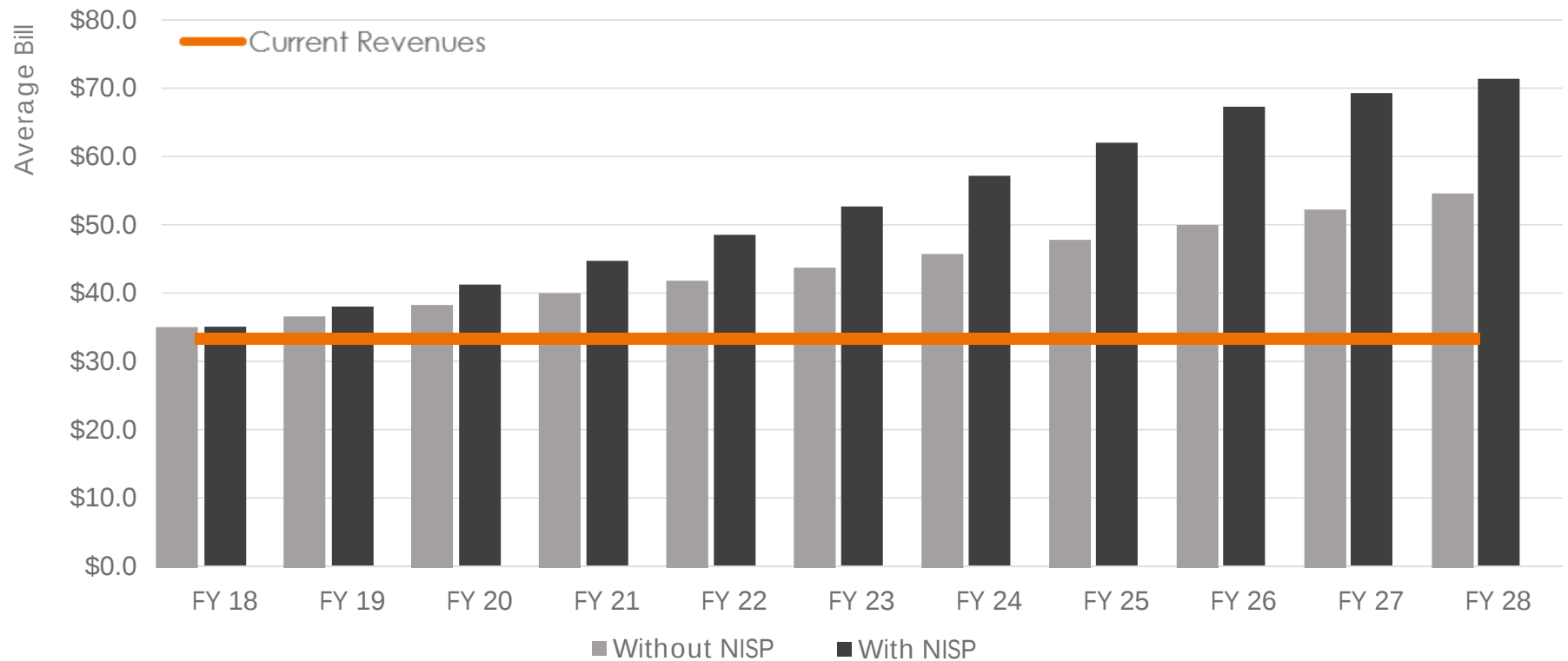
portion of Average Bill

- 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**

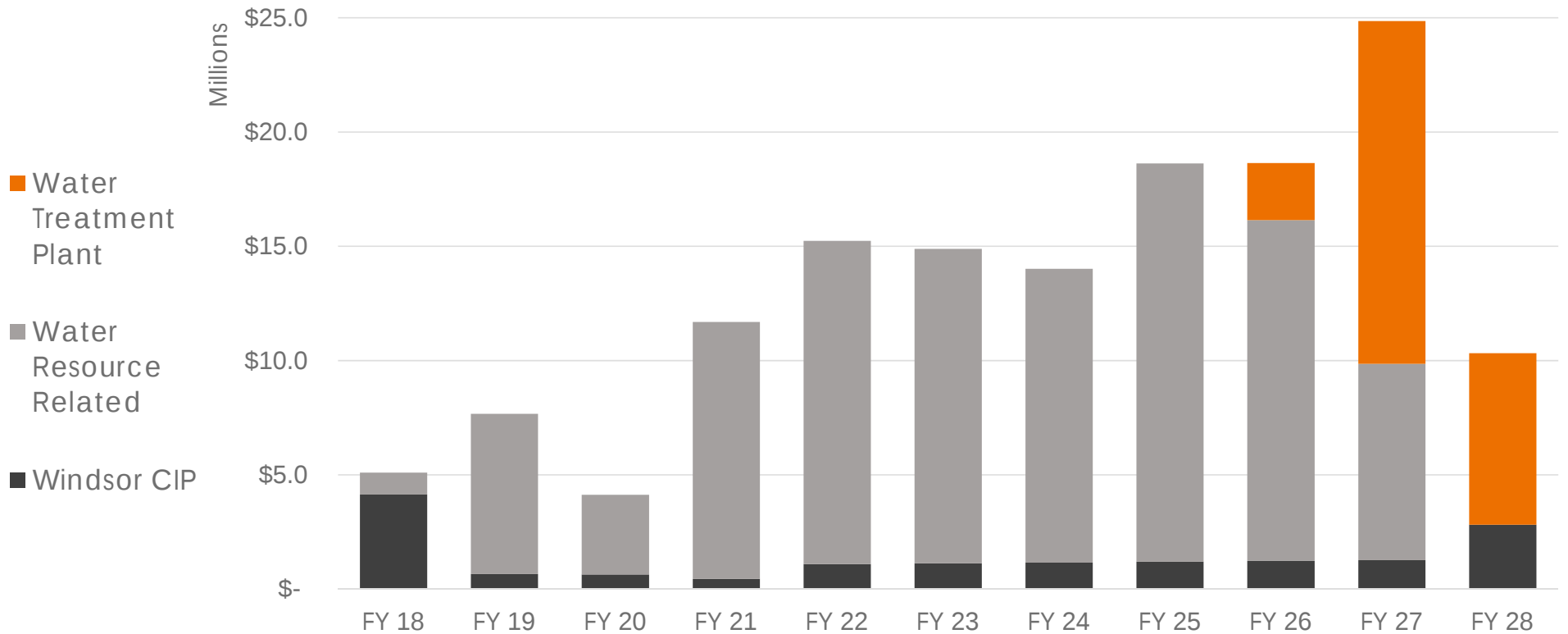


Revenue Requirements

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

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 Baseline No NISP	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%
	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 Full Participation	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%
	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 General Fund Assistance	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%
	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

Scenario Comparison

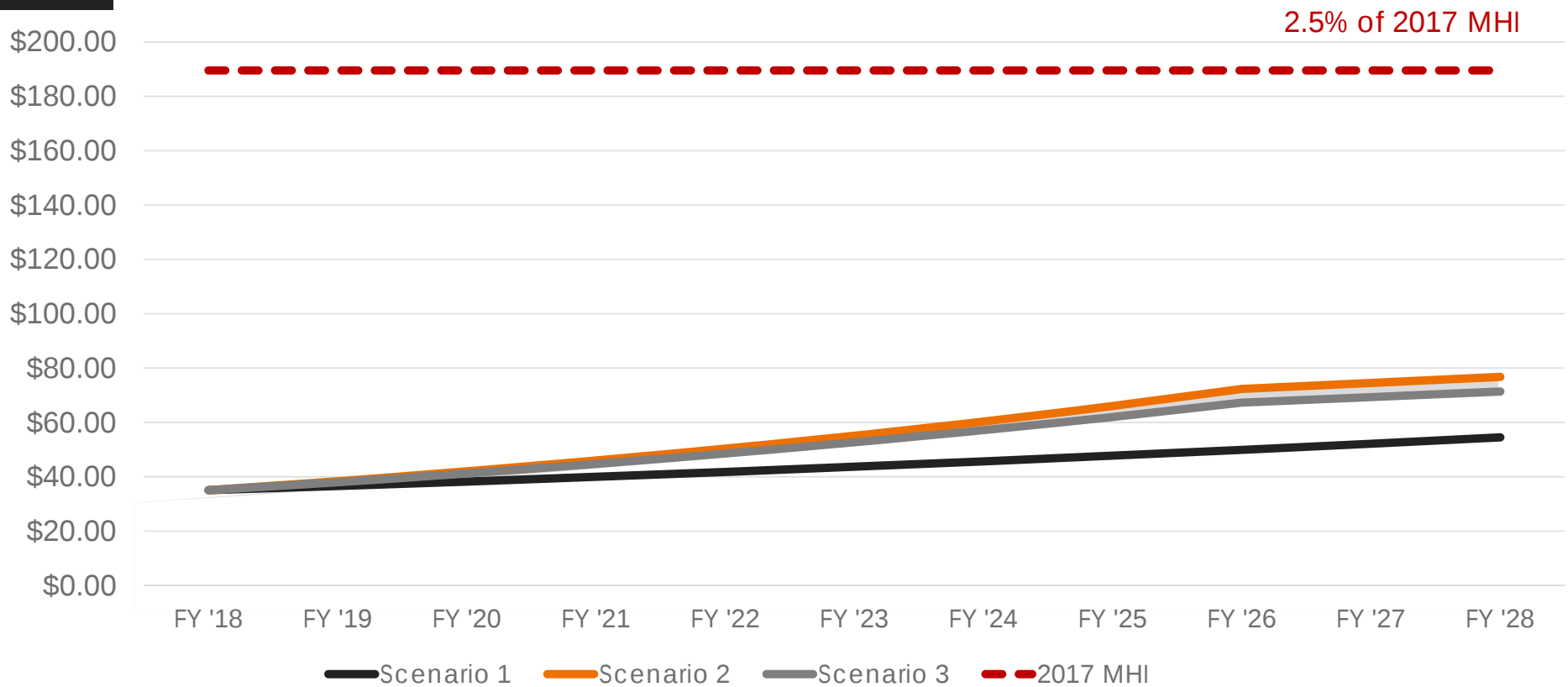
Average Monthly Bill – 5 kgal

Scenarios



What is Affordable for Windsor?

Scenarios





Board Direction



WINDSOR WATER SERVICE AREA		POTABLE DEMAND (AF)	
Code	Description	Total	w/26% Shrink
MFR	Multi-Family Residential	81	102
E-1	Low Density Estate Single Family Residential	37	46
E-2	High Density Estate Single Family Residential	411	518
RMU	Residential Mixed Use	2,035	2,564
SFR	Single Family Residential	1,420	1,790
SCHL	Schools	39	49
POSF	Parks, Open Space, Mineral Extraction & Flood Plain	0	0
CS	Community Separator	0	0
CBD	Central Business District	16	20
NGC	Neighborhood & General Commercial	299	377
OPUB	Other Public/Semi-Private	17	21
I-L	Light Industrial	511	643
I-H	Heavy Industrial	474	597
EC	Employment Corridor	230	290
TOTAL		5,569	7,017

Notes:

Commercial and Industrial irrigation was assumed to be potable

Parks/Open Space and Community Separator will be irrigated with non-potable water

Non-potable water demand is not part of this analysis

	Volume (ac-ft)
Demand	
Projected 60,000 Population Demand	5,569
Water Requirement (26% shrink)	7,017
Supply	
Current Water Supply	3,491
Anticipated New CBT Acquisition	466
NISP Participation	3,300
Total Supply	7,257
Water Supply Shortage	-239