



TOWN BOARD WORK SESSION

October 20, 2025 - 5:30 PM

1st Floor Conference Room, 301 Walnut Street, Windsor, CO 80550

To view Town Board meeting broadcasts, visit
www.windsorgov.com/MeetingsOnDemand.

AGENDA

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the Public in attendance are asked to be recognized by the Mayor before participating in any discussions of the Town Board

WORK SESSION AGENDA ITEMS

1. 2026 Utility Rates Update
2. Future Meetings Agenda

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 Thursday prior to the meeting to make arrangements.



MEMORANDUM

Date: October 20, 2025
To: Mayor and Town Board
From:
Re: 2026 Utility Rates Update
Item #: 1.

Background / Discussion:

Financial Impact:

Relationship to Strategic Plan:

Recommendation:

CC:

Attachments:

1. 2026 Rates Presentation to the Town Board
2. Follow Up for Water & Sewer Board



Town of Windsor, CO

Town Board

2026 Rate Study Update

October 20th, 2025





Agenda

1. Water Fund
2. Sewer Fund
3. Storm Drainage Fund
4. Stormwater Plant Investment Fee

What Has Changed Since Last Rate Study?

For the water and sewer funds,

- Updated 2024 **actual** revenues and expenses and ending fund balances
- Updated from 2025 original budget to **2025 year-end projections**
- Incorporated **2026 proposed budget**
- Incorporated most recent **5-year Capital Improvement Plan** for FY 2026-2030
- **Validated** key assumptions with staff
- **Evaluated** stormwater plant investment fee charge

Utility's Financial Goals

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

Water Fund

Key Drivers of the Water Fund Balance

Operating	• <i>\$6.5M for 15th street, and an additional \$1.5M for other water line replacements in FY 26-27</i> • <i>Operating capital including water line replacements and non-potable projects</i>
Growth	Growth projection equal to 90% of expected new permits • <i>Treatment Plant to cost \$10M in FY 2027</i>
NISP	Timing of NISP project, currently debt service payments projected to begin in 2027 • <i>Total cost expected to be over \$322M</i> • <i>Estimated annual payment between \$2M and \$10M</i>

Account Growth Projections

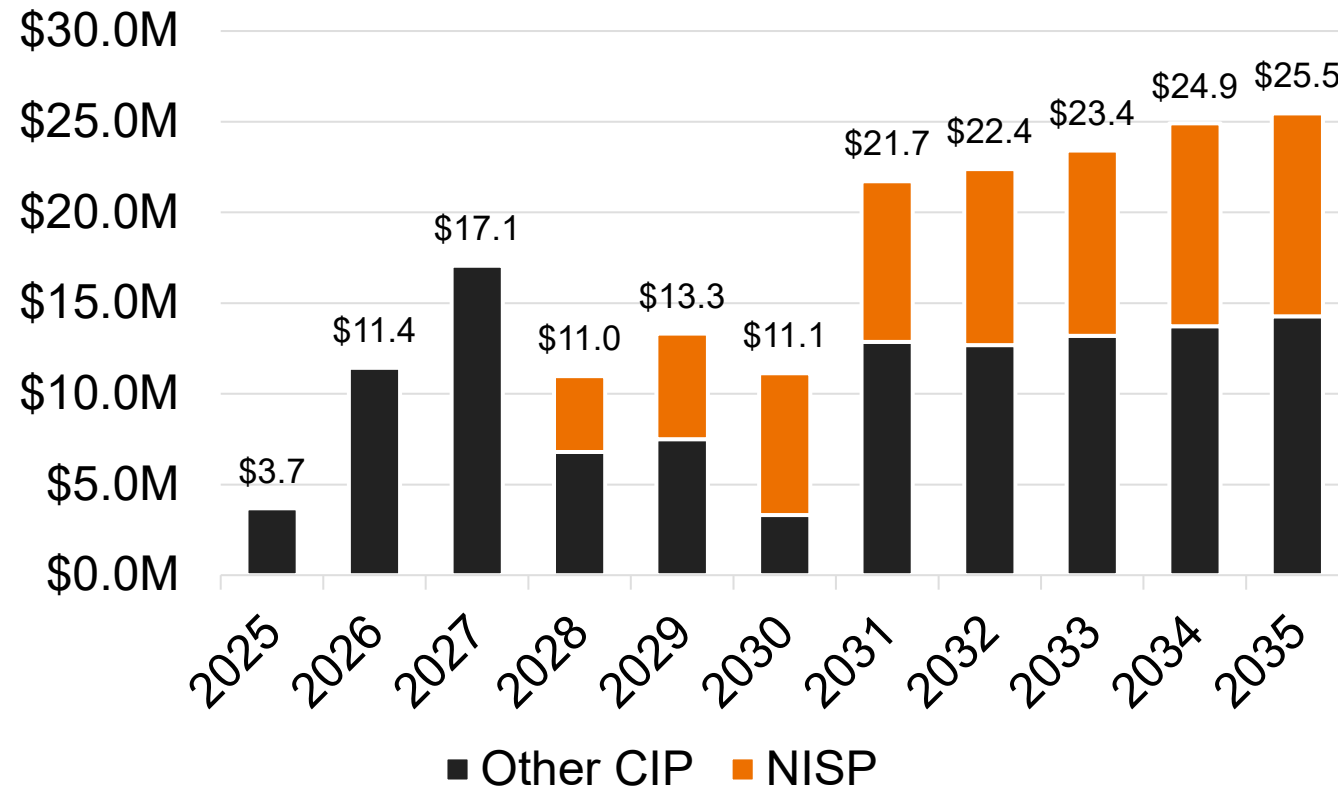
- Growth estimates updated to be consistent with economic development reports
- Growth applies for water, sewer, and storm drainage funds

	2025	2026	2027	2028	2029	2030
In Windsor's Water Area						
<i>Great Western - Unplatted - 2,000</i>						100
<i>Harmony Master Plan - Unplatted - 485</i>						110
<i>Overland - Unplatted - 312</i>						78
<i>Poudre Heights - 226</i>	40	40	40	10		
<i>Prairie Song - 1st & 2nd Filings - 539</i>	75	160	160	77		
<i>Prairie Song (Collette Farm) - Unplatted - 618</i>						118
<i>Prairie Song 3rd Filing - Replatted - 973</i>			119	232	319	160
<i>Raindance - 1,504</i>	50	56				
<i>Trautman - 229</i>	129					
<i>Trevenna - 1st Filing - 226</i>	0	58	56	56	56	
<i>Water Valley South - 853</i>	22	18				
Not in Windsor's Water Area						
<i>Windsor Villages at Ptarmigan - 114</i>						
<i>River Ridge East - Unplatted - 132</i>						44
<i>The Ridge at Harmony Road - 969</i>						
<i>Highland Meadows - 243</i>	24					
<i>Fossil Creek Ranch - 260</i>		43				
<i>Fossil Ridge - 297</i>						
Total Permits	340	375	375	375	375	610

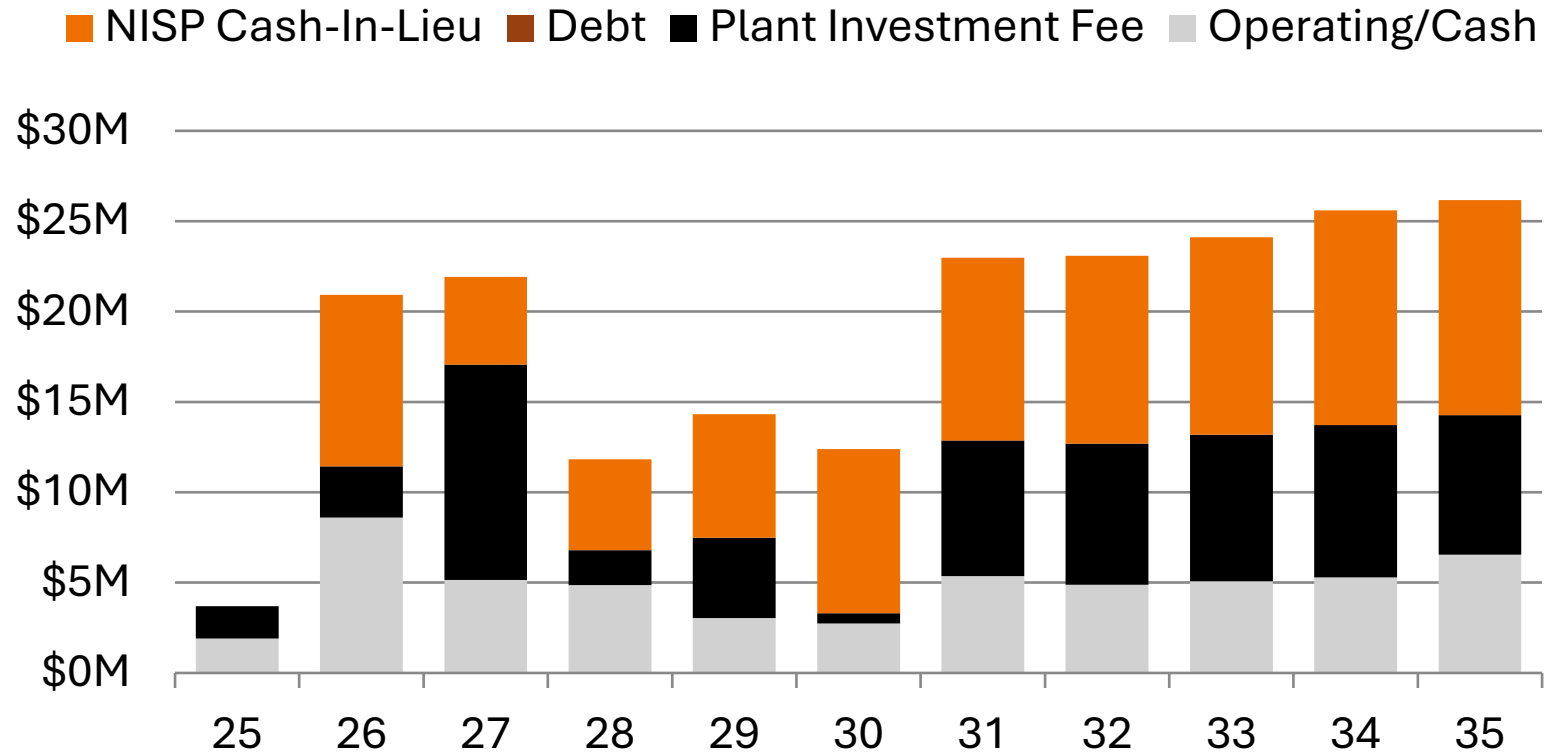
Note: 90% growth execution is applied through 2035 (through 2031 presented above)

NISP/Capital Project Costs Projection

- FY 2027 NISP costs have design & engineering cost
- NISP debt service payments projected to begin in 2027
- Other CIP includes Water Line Replacement and other R&R projects
- \$10M Cobb Lake Treatment Plant in 2027, 2031

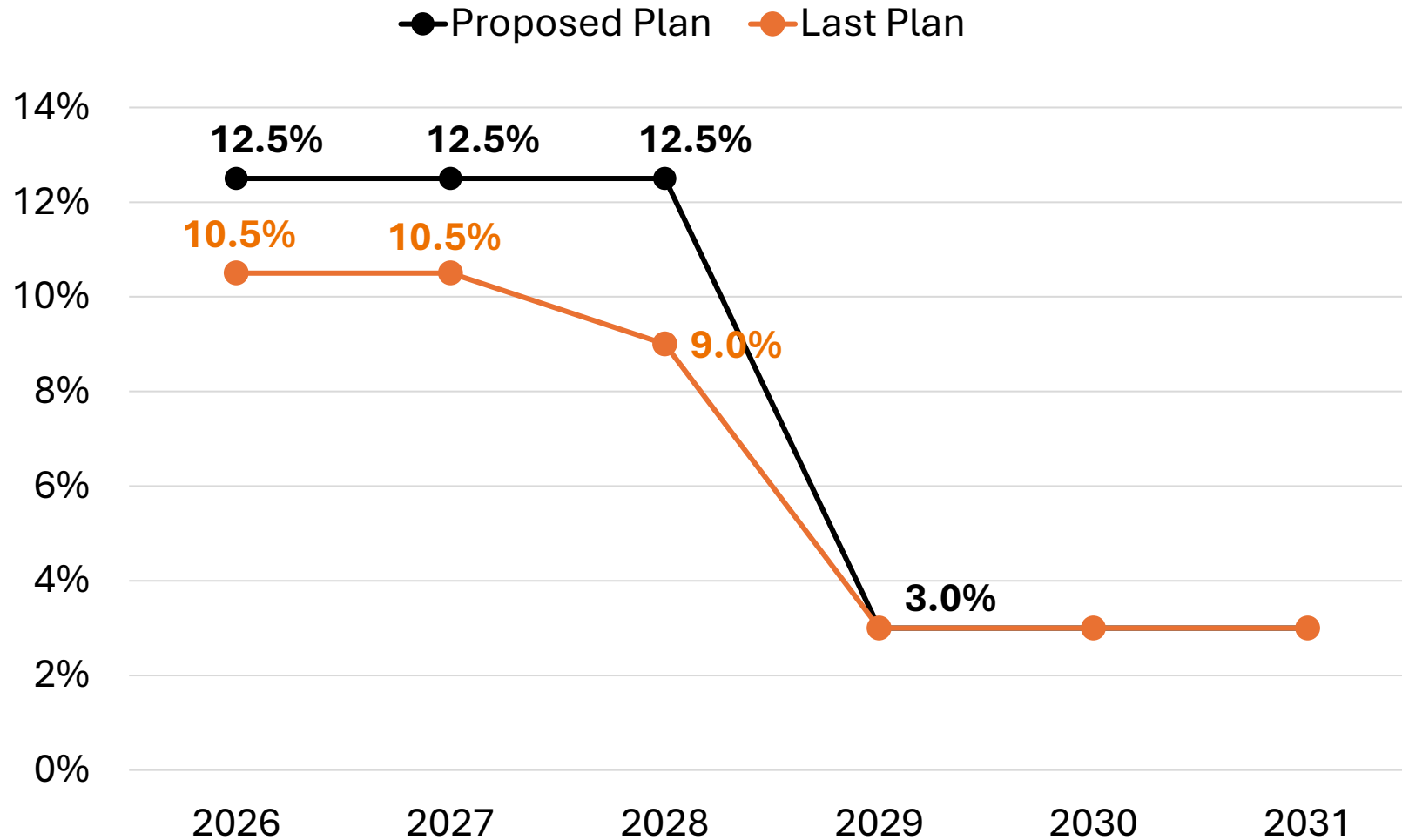


CIP Funding by Type



Note: 4% annual cost escalation is applied to budgeted capital project costs

Water Fund Rate Projection

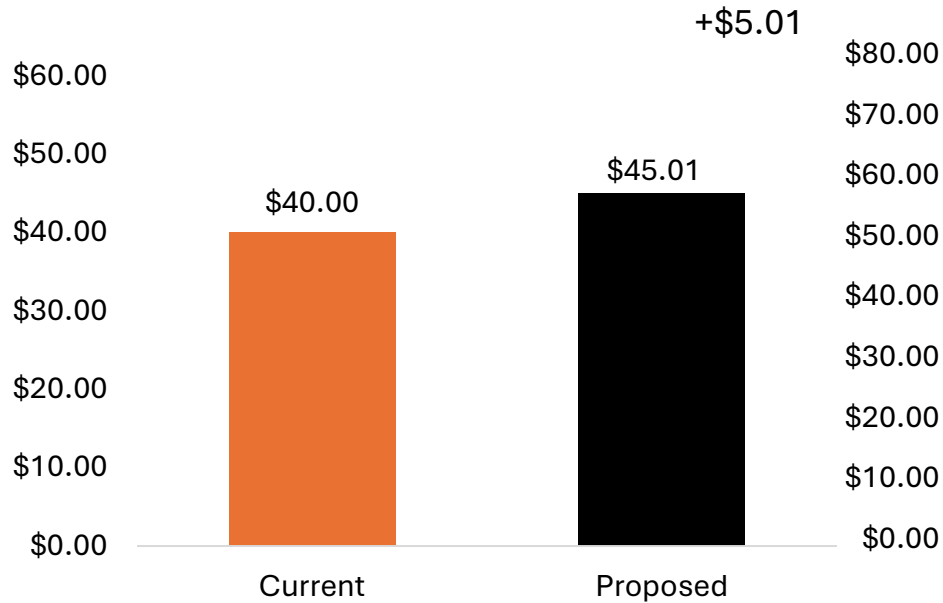


Water Fund Scenario Summary

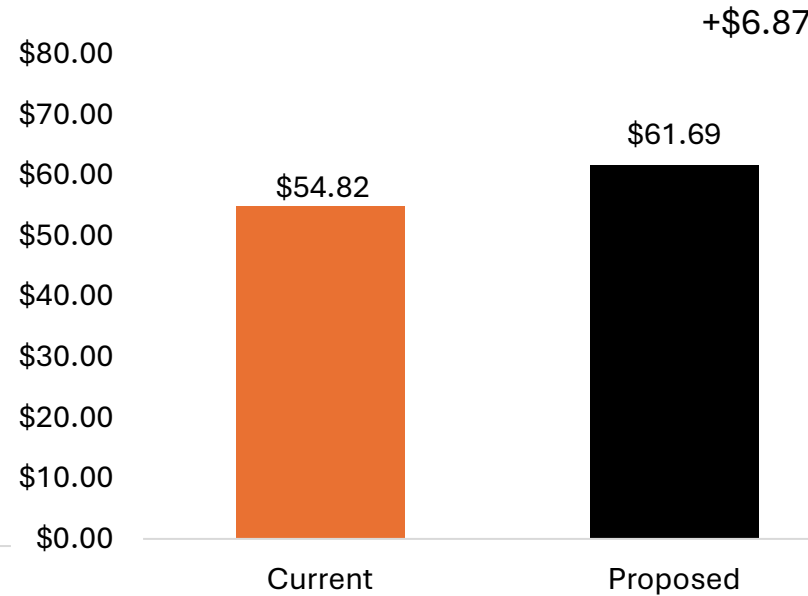
	Prior Update	Current Update
Rates	10.5% annual rate increases from 2026-2027 9% rate increases in 2028 Anticipated inflationary increases in 2029-2034	12.5% annual rate increases from 2026-2028 Anticipated inflationary increases in 2029-2035
Growth Execution	90% Growth Execution	90% Growth Execution
NISP	NISP all debt financed, recovered by cash-in-lieu funds	NISP all debt financed, recovered by cash-in-lieu funds and rate-based support as needed

Single Family Monthly Bill Impacts

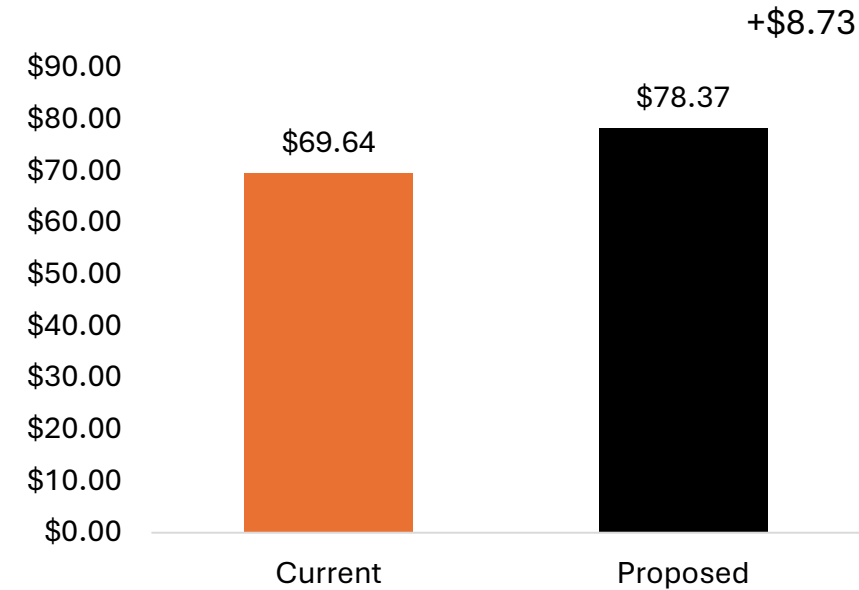
2 KGAL



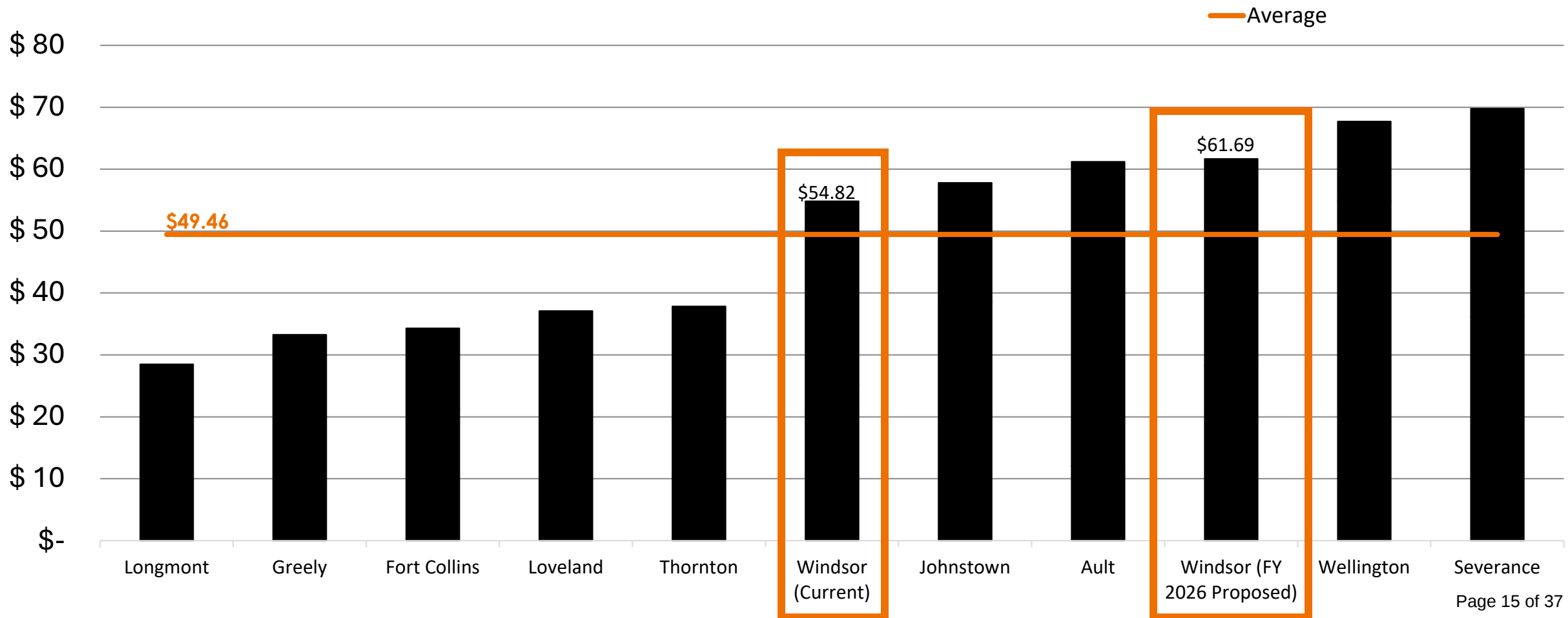
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6 KGAL



Water Rates Peer Comparison (4 KGAL)



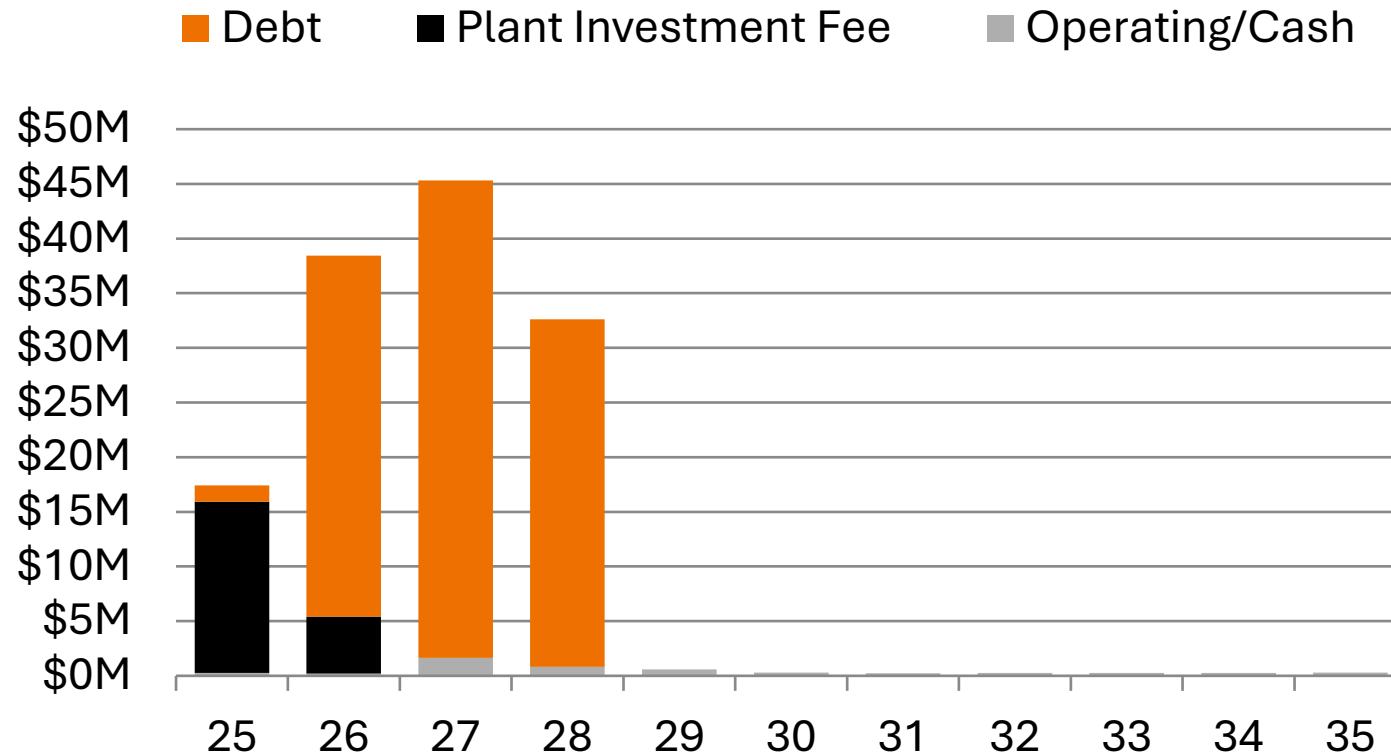


Sewer

Key Drivers of the Sewer Fund Balance

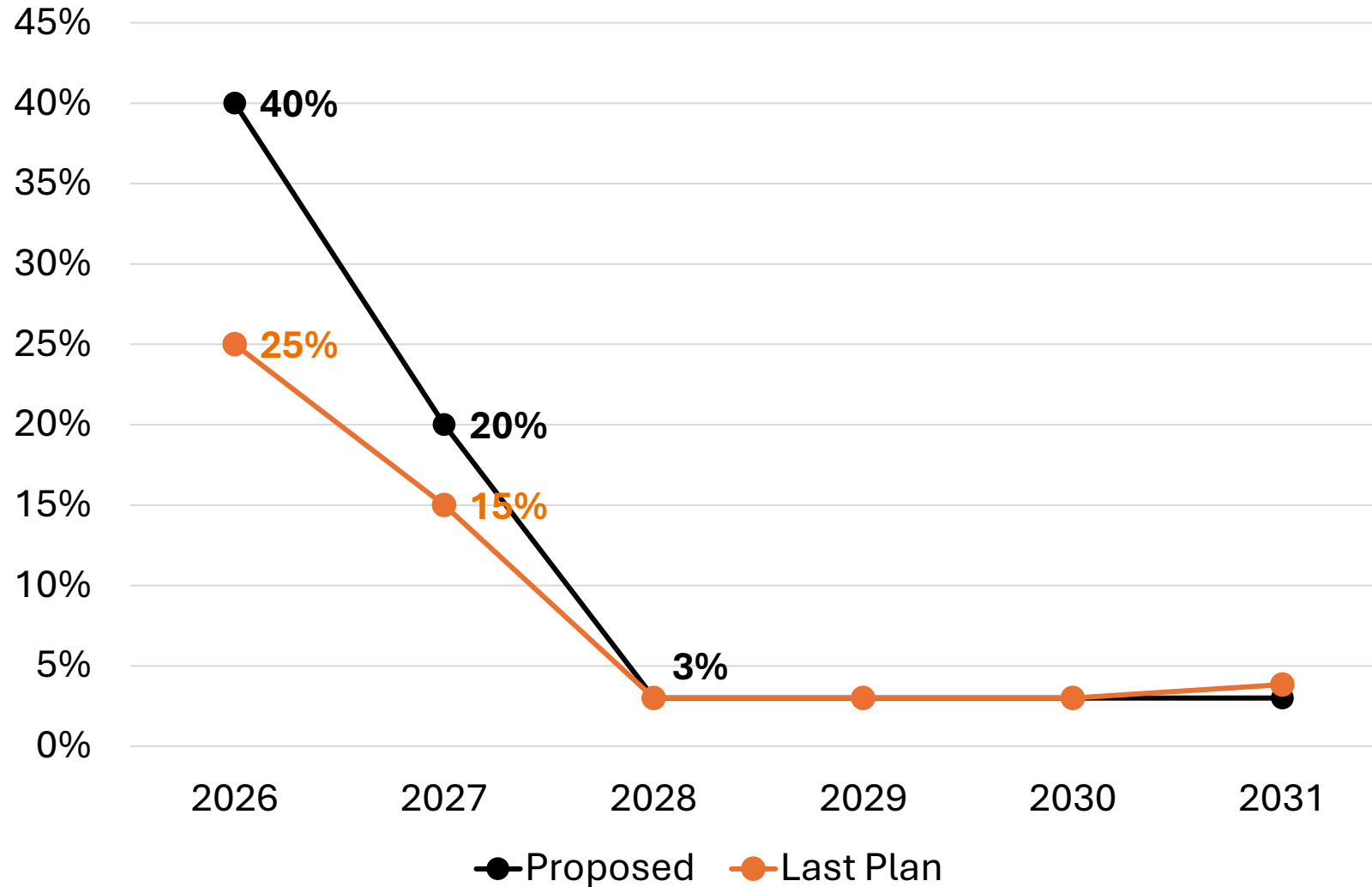
Capital Plan	New Wastewater Treatment Plant design and construction begins in FY 2026 • \$110M (<i>Windsor Portion</i>) spent over 4 year’s of construction, revenue bond to be issued in FY 2026 Headworks Improvement Project began in 2024 and ends in 2026 • \$18.5M spend over the two years, 100% PIF Funded
Growth	• Growth projection equal to 90% of expected new permits

CIP Funding Sources



Note: Cost escalation of 4% is applied to minor capital projects

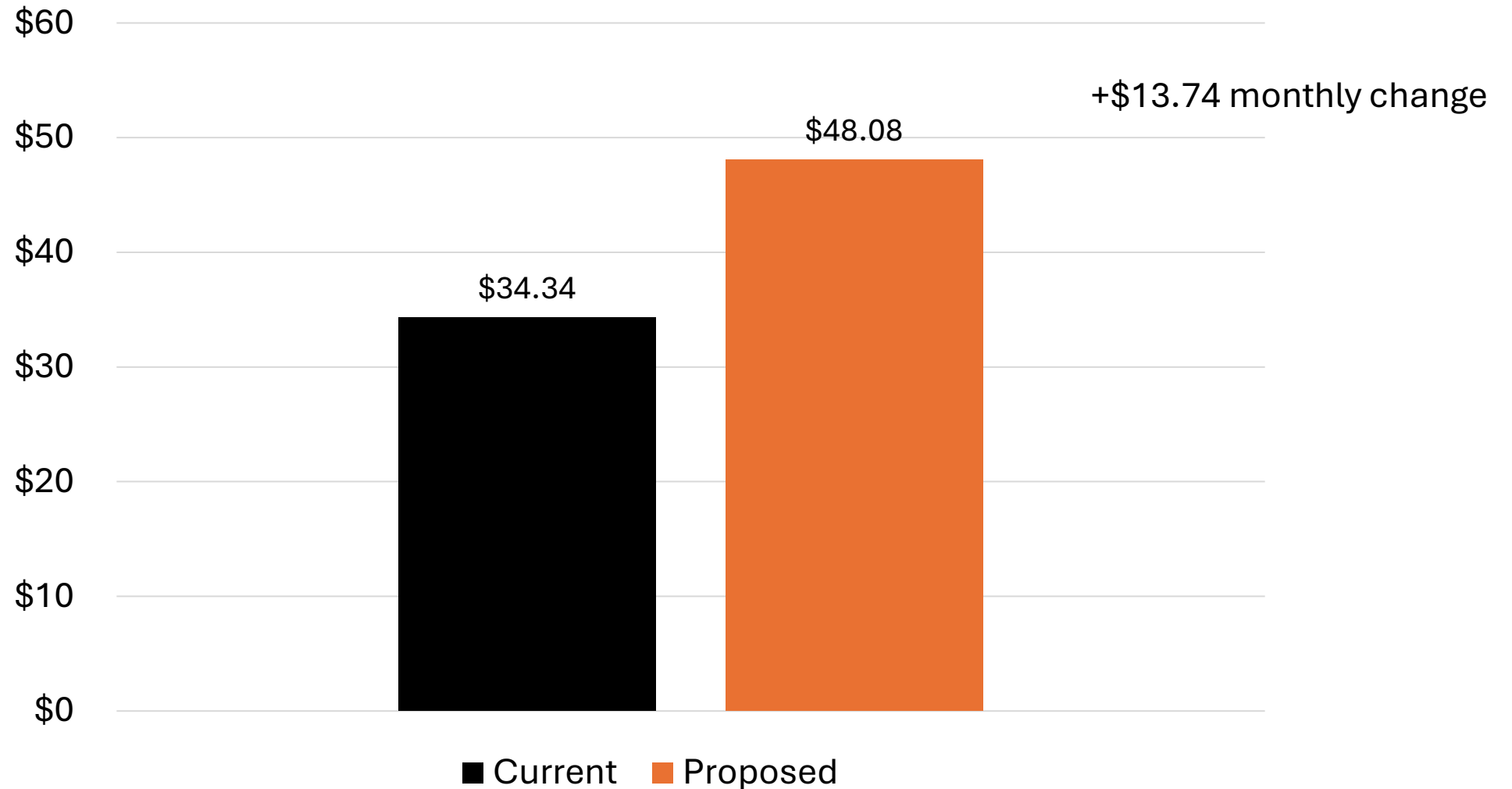
Sewer Fund Rate Projection



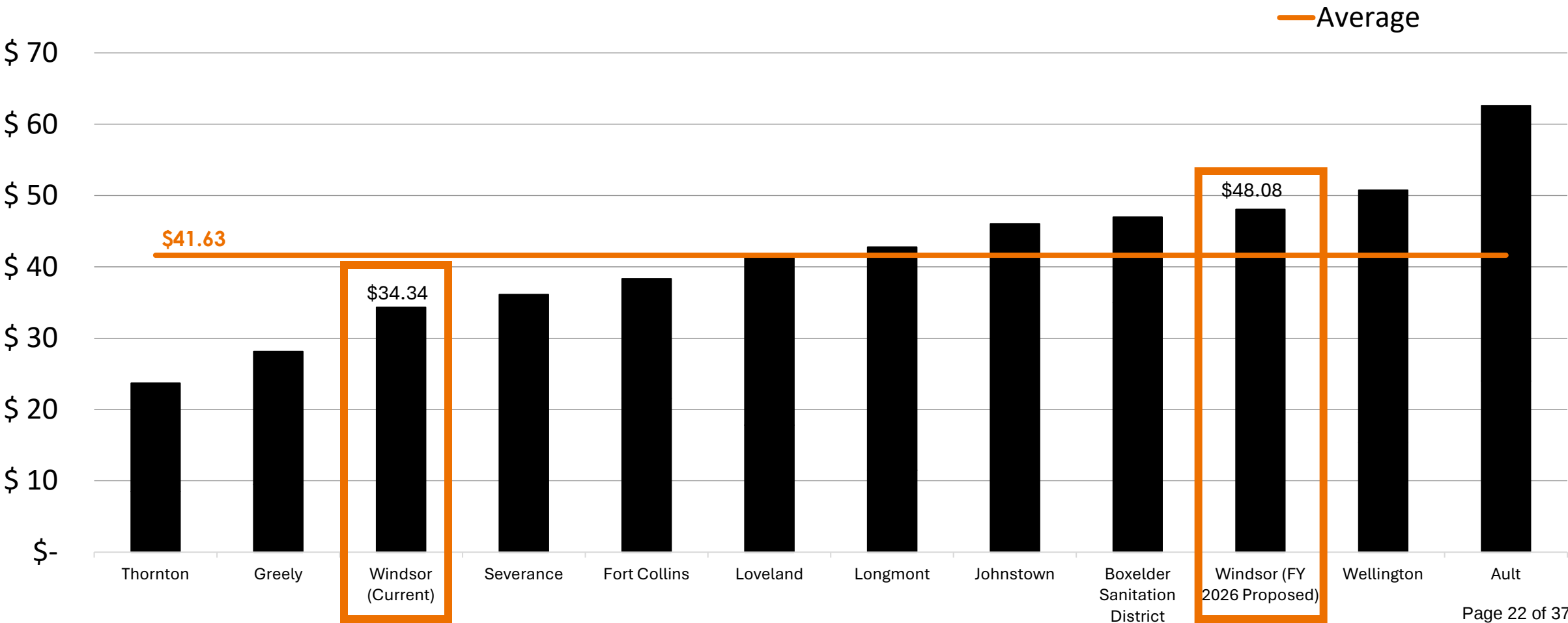
Sewer Fund Scenario Summary

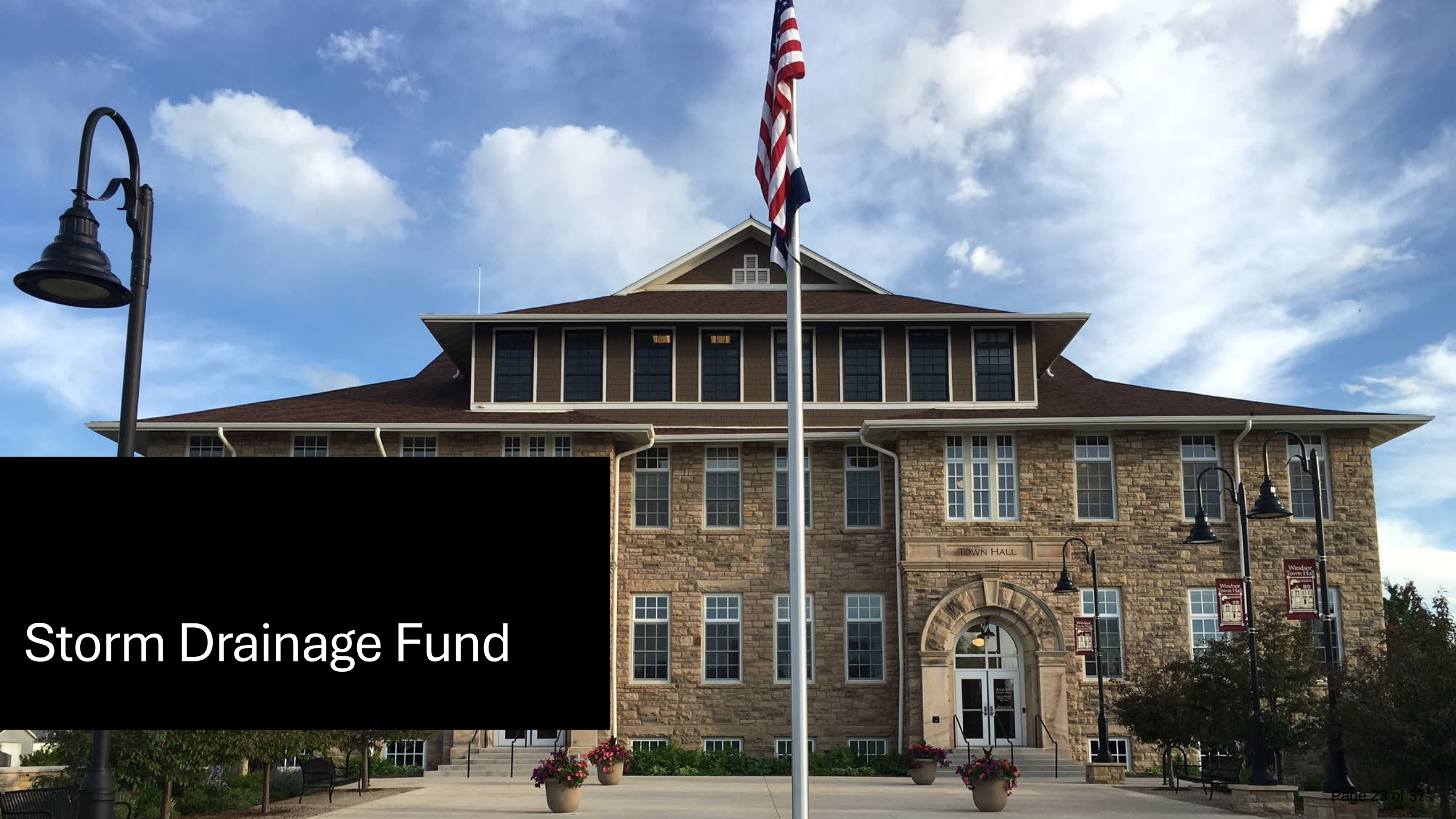
	Prior Update	Current Update
Rates	25% increase in FY 2026, 15% Increase in FY 2027, & inflationary increases from FY 2028-2034	40% increase in FY 2026, 20% increase in FY 2027, & inflationary increases from FY 2028-2034
Growth Execution	90% Growth Execution	90% Growth Execution

Single Family Monthly Bill Impacts



Sewer Rates Peer Comparison



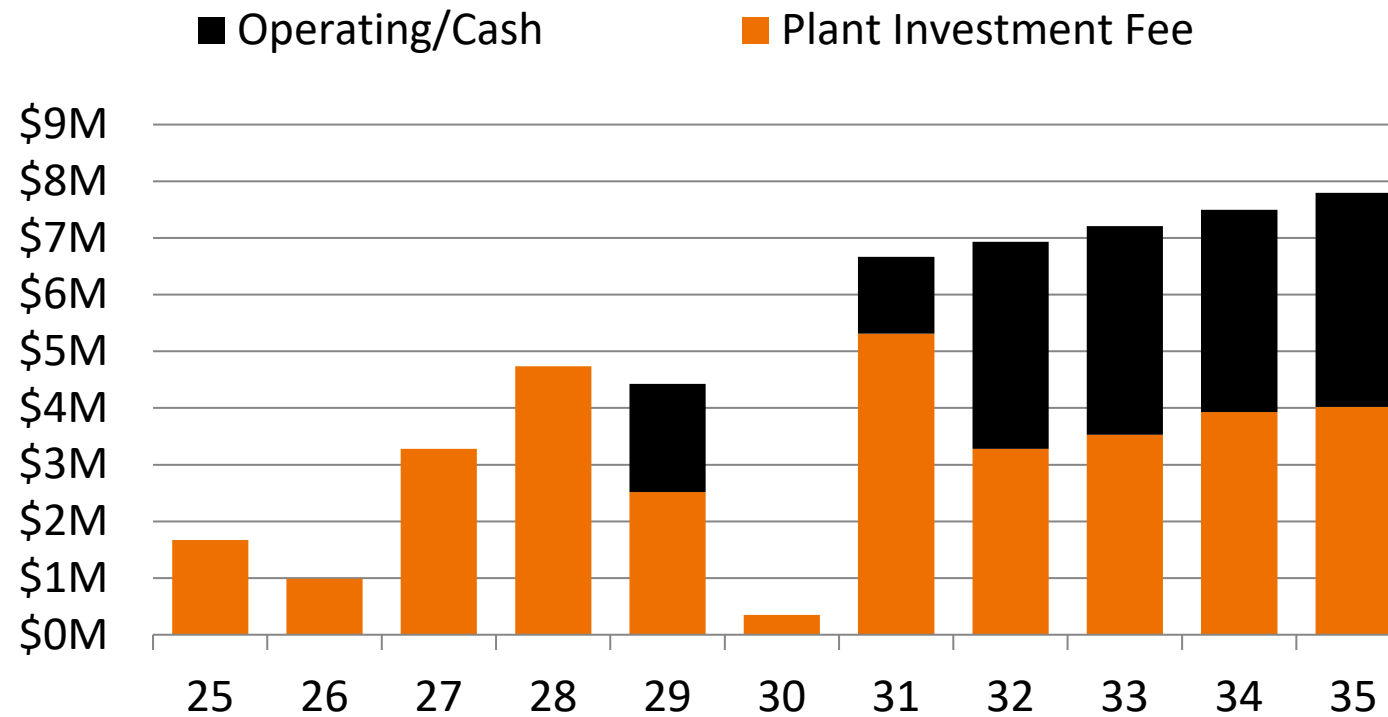


Storm Drainage Fund

Key Drivers of the Storm Drainage Fund Balance

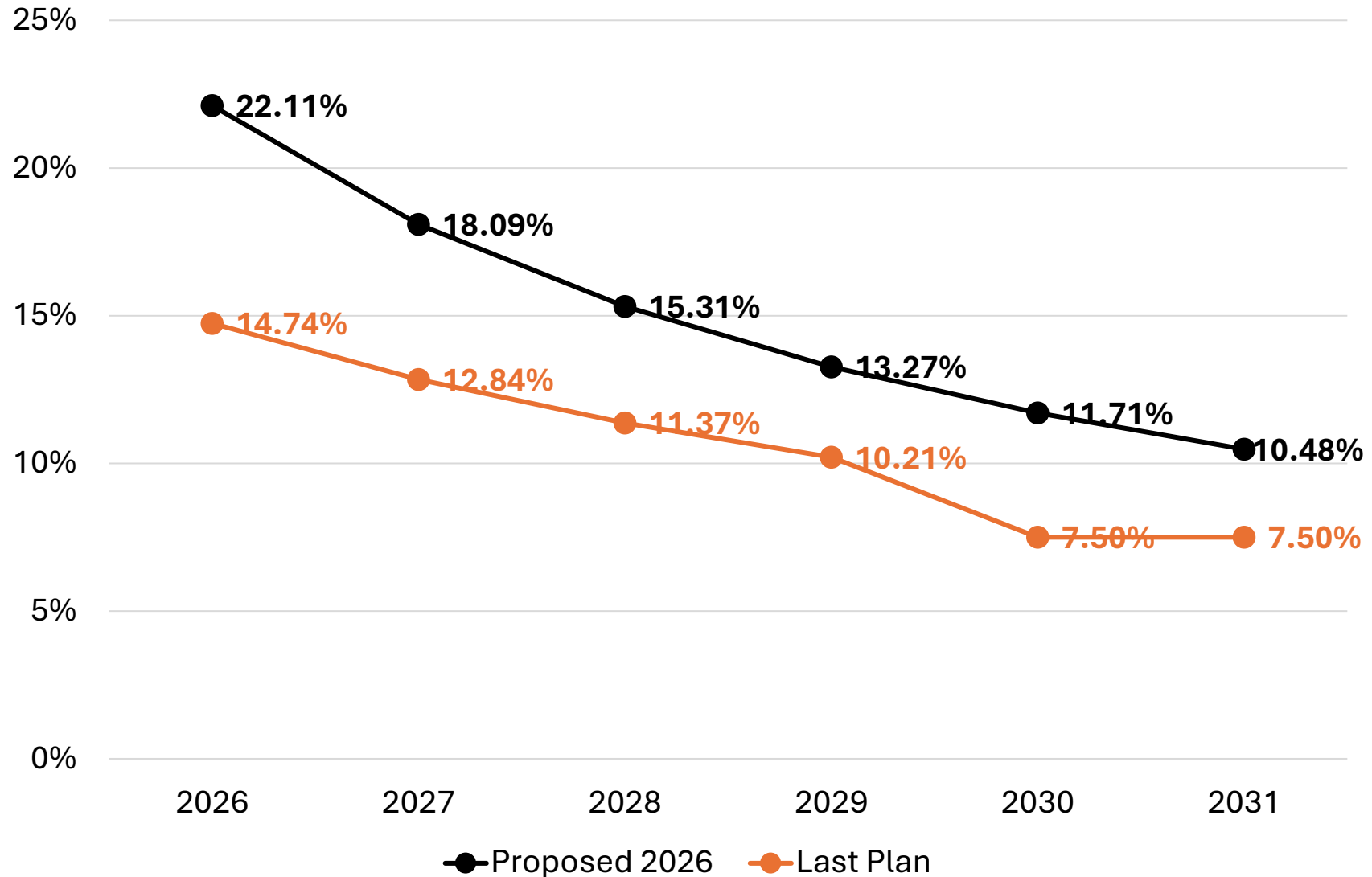
Pay As You Go	The storm drainage fund pays for capital projects using reserves; avoids debt
CIP	- Stormwater CIP Project cost is \$42M between FY 2025 and FY 2035 - Law Basin Master Plan Channel Phases 1-3 Projects, \$26.1M total cost for these projects from FY 2028 to FY 2035
Growth	Growth for the storm drainage fund is tied to growth of the Water Fund accounts, in addition to storm only accounts 90% of projected growth through 2035

CIP Funding Sources



Note: Annual cost escalation of 4% is applied to budgeted capital project costs

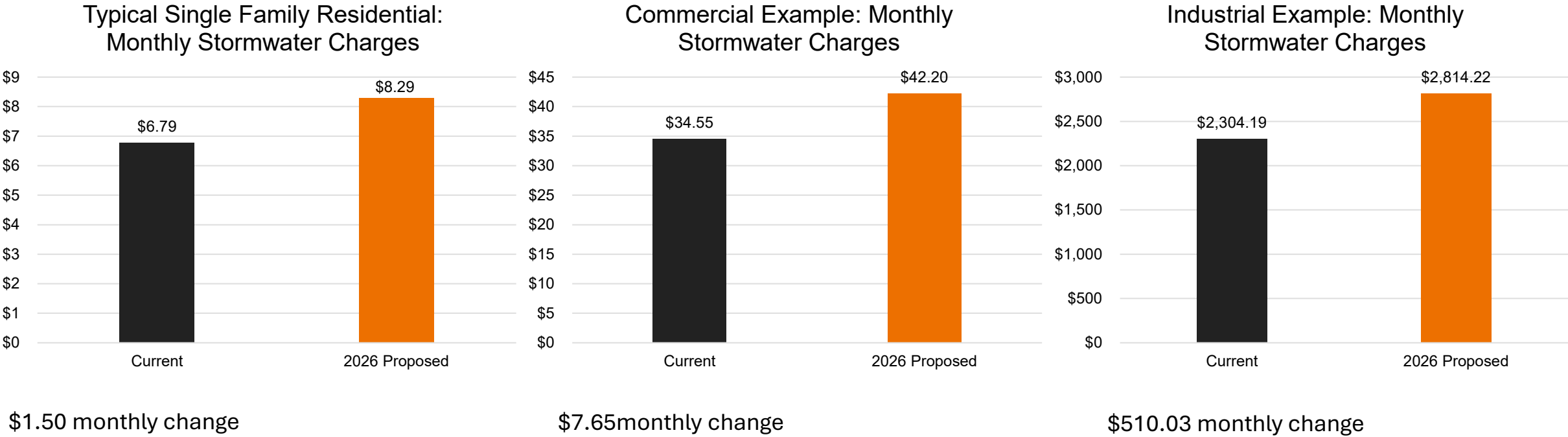
Storm Drainage Fund Projections



Storm Drainage Fund Scenario Summary

	Prior Update	Current Update
Rates	Fund full capital program. Except Law Basin Projects	Fund full capital program. Except Law Basin Projects
Capital Program	Cash funded 100% of \$33.4M over 10-year projection.	Cash funded 100% of \$42.1M over 10-year projection.
Growth	Growth for the storm drainage fund is tied to growth of the water fund accounts	Growth for the storm drainage fund is tied to growth of the water fund accounts

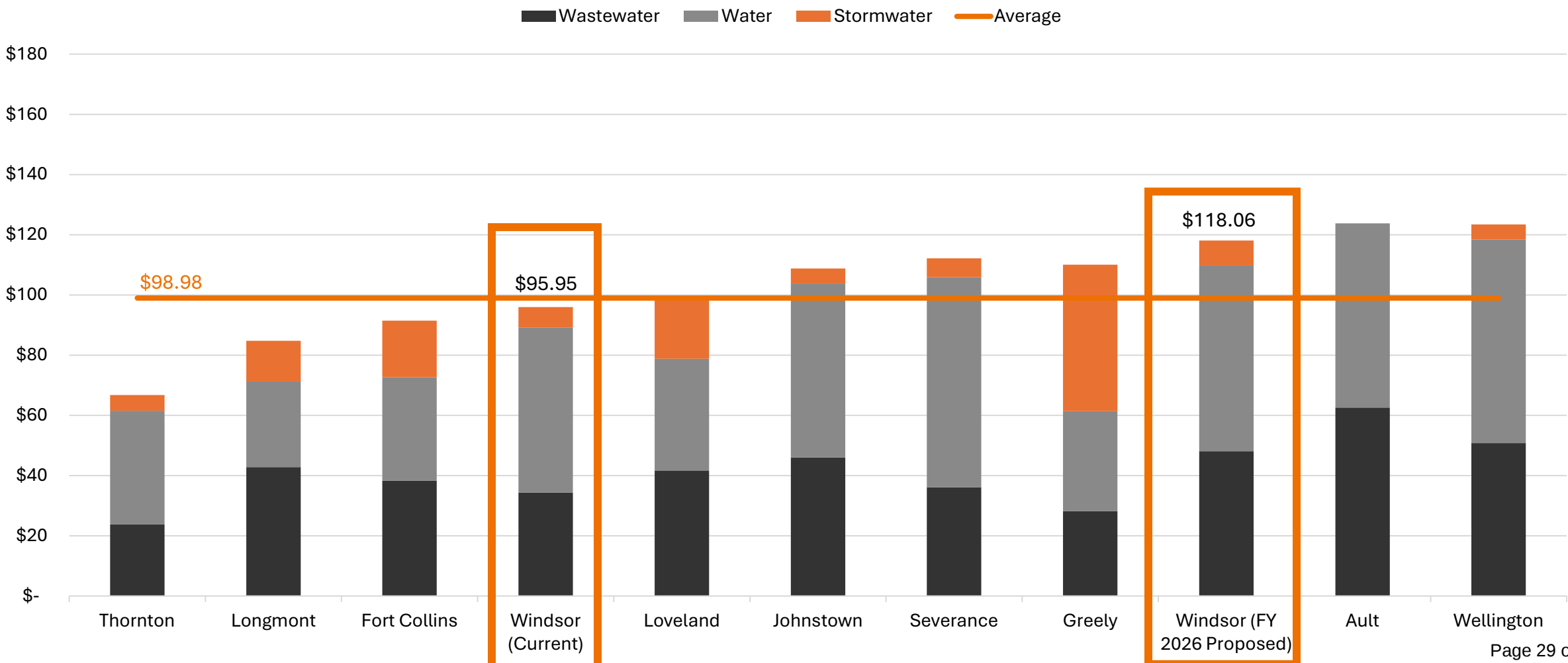
Bill Impacts – Capital Spent as Budgeted



Note:

- Residential assumes 6,600 sf, 40% impervious area
- Commercial assumes 35,201 sf, 64% impervious area
- Industrial assumes 3,169,900 sf, 52% impervious area

Water, Wastewater & Sewer Rates Peer Comparison





Plant Investment Fees

Plant Investment Fee (PIF) Calculation

$$\text{Plant Investment Fee} = \frac{\text{Value of System}}{\text{System Capacity}}$$

1) Value of Utility System

- Depreciated value escalated to current replacement cost, and/or
- Future capital investment

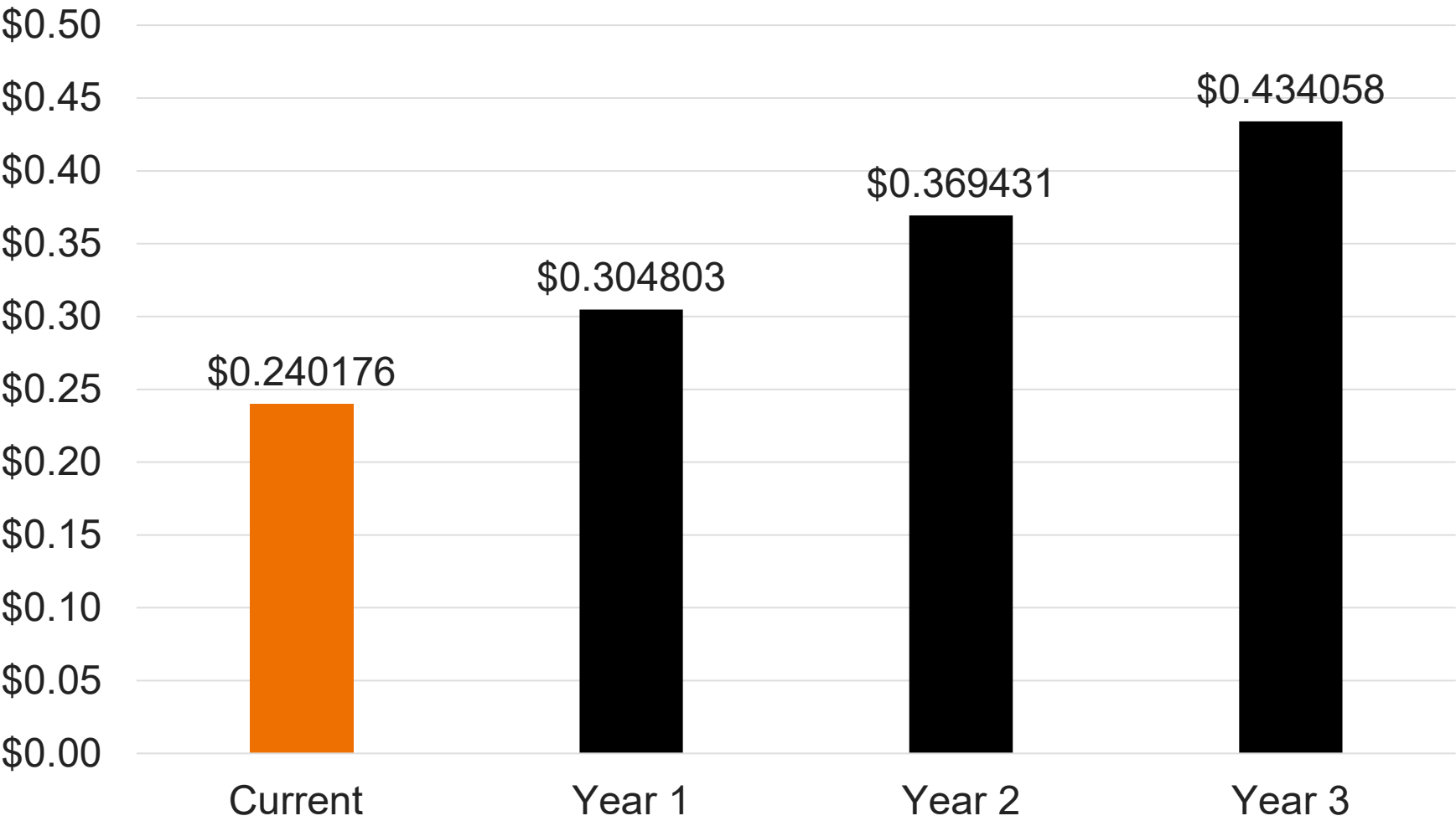
2) System Capacity

- Total billed impervious area

Stormwater PIF Calculation

Components	Units
Net System Value	\$36,082,804
Impervious SQFT	83,128,966
Calculated Fee	\$0.434058
Current Fee	\$0.240176
Percent Change	81%
Adopt Calculated Fee?	Implementation recommended

Stormwater PIF Phasing Plan





Board Discussion & Feedback



Staff Follow-Up to Water & Sewer Board – 2026 Proposed Rates Discussion

1. Consideration of Winter Averages in the Formulation of Residential Sewer Rates versus Current Flat Fee per Household:

Staff analyzed the 2024 & 2025 winter months for residential water consumption:

Average monthly consumption – 3,774 gallons

Median monthly consumption – 3,774 gallons

Accounts in Excess of 5,000 gallon winter consumption – 690 / 7.7%

Conclusion: While our current flat fee structure is not perfect, it does not discriminate against large family households, nor those households that see increased water usage during the winter months. Additionally, it does not favor those households that have zero to minimal usage (snowbirds for example) during the winter months.

If the Water & Sewer Board wishes staff to investigate further, staff would be happy to do so.

2. 2026 Budget for Landscape Conversion - \$288,000 - \$195,000 of which is specifically designated for turf removal and “garden in a box”.
3. Addition of a Slide that Speaks to the Combined Utility Rate Comparison – please see updated presentation slides. Please note that not all neighboring communities charge a separate fee for storm drainage.
4. Top Residential Users (**those households without a dual system**):

Staff analyzed the top 25% of households (summer consumption (May through September)) with the following observations:

- a. Sample Size – 797 accounts
- b. Average Total Summer Consumption – 85,121 gallons
- c. Average Monthly Summer Consumption – 17,024 gallons
- d. 12.5% Rate Increase equates to \$22.50 average monthly increase



FUTURE TOWN BOARD MEETINGS

October 27, 2025 5:30 p.m.	Town Board Work Session Meet the Board – New Hires Front Range Energy – Carbon Storage Solutions Subsurface - Easement Acquisition – Uwyo Connection
October 27, 2025 7:00 p.m.	Town Board Regular Meeting
November 3, 2025	Canceled – 1 st Monday
November 10, 2025 5:30 p.m.	Town Board Work Session Board/Manager/Attorney Monthly Meeting Budget: Wrap-Up/Revisions
November 10, 2025 6:45 p.m.	Kern Board Meeting
November 10, 2025 7:00 p.m.	Town Board Regular Meeting
November 17, 2025 5:30 p.m.	Town Board Work Session Budget: WDA Budget Presentation
November 24, 2025 5:30 p.m.	Town Board Work Session New Hire – Meet the Board Hauler Licensing Discussion Chimney Park Lighting Discussion
November 24, 2025 7:00 p.m.	Town Board Regular Meeting
December 1, 2025	Annual Board Appreciation Dinner
December 8, 2025 5:30 p.m.	Town Board Work Session Board/Manager/Attorney Monthly Meeting Outside Agency Funding
December 8, 2025 7:00 p.m.	Town Board Regular Meeting
December 15, 2025 5:30 p.m.	Canceled
December 22, 2025	Canceled

December 22, 2025
7:00 p.m.

Canceled

December 29, 2025

Canceled – 5th Monday

Future Work Session Topics

- Wildfire Resiliency Code presentation – 2026
- Camping Ban