



WATER AND SEWER BOARD SPECIAL MEETING
January 23, 2019 – 6:15 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 6:18 a.m.

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

Also present:	Town Manager	Shane Hale
	Director of Engineering	Dennis Wagner
	Water Resources Manager	John Thornhill
	Communications Manager	Kim Overholt
	Administrative Services Director	Jessica Humphries
	Utility Billing Admin Specialist	Erin Porter
	Stantec Consultant	Ethan Harden

- Review of Agenda by the Board and Addition of items of New Business to the Agenda for Consideration by the Board
Board Member Willey wanted to add a discussion item to invite Weld and Larimer County Extension Agents to present to the board. Item added to Discussion
- Public Invited to be Heard
There was no public comment.

B. CONSENT CALENDAR

There were no items on the consent calendar

C. BOARD ACTION

- Minutes of December 12, 2018 Regular Meeting
Corrections were requested, Board Member Tokunaga moved to accept the minutes with corrections for the December 12, 2018 Meeting; Board Member Medina seconded the motion. Motion carried unanimously.

D. PRESENTATIONS AND DISCUSSION

- Election of Officers

Board Member Zimbelman made a motion to maintain the same officers as 2018, Board Member Willey seconded the motion. Motion carried unanimously.

2. Water Rates Presentation

Town Board Liaison Bennet provided information on discussions that have been happening for over a year on comparison with other districts and looking ahead to future large expenditures such as the Northern Integrated Supply Project (NISP) and potential new water treatment plants, expanded capacity with current treatment providers and storage.

Stantec Consultant Ethan Harden provided an overview of the current uses and sources of funds used to determine the level of user charges needed to balance the fund to make a sound financial plan. When working with staff, there were several financial goals that were identified. These goals include:

- Maintain debt service coverage at a target level of 120%
- Maintain adequate reserve requirement of 90 days cash on hand to maintain bond ratings
- Minimize rate impacts to rate payers
- Growth pays for growth
- Adequately fund water resource needs

Mr. Thornhill presented information on what future demand for water would look like, and that for 2017 the demand was 2,016 acre feet (af), which means with losses the Town would need 2,724 af to maintain service.

Mr. Harden presented information on what growth assumptions were made based on both patted and non-platted lots. In 2018 there were over 650 new units, and projection for 2019 is 565 new units. Going forward the projection yearly through fiscal year 2028 is 332 units per year, or just over 4,000 new units coming online which will pay for projected growth.

For developers, the raw water fee is limited by the cost of a CBT unit. The Board discussed the cost of CBT going forward when NISP goes online. Mr. Thornhill stated that discussions with Stantec and staff went through various permutations based on market prices and the percentage of dedication by developers.

Mr. Harden went through assumptions made on Operations and Maintenance and Capital Expenses as a portion of the average bill. O&M assumptions are set at 3% and Capital Expense assumes that raw water costs will increase \$95.9M through 2028, normal renewal and replacement will be about \$1m per year and in 2028 the planned cost for a Water Treatment Plan is \$25M to be paid by new development.

There were three different scenarios presented to the Board.

The first scenario presented numbers if there was no participation in NISP, which would increase the cumulative rate by 55%, and raw water would be purchased on an as-needed basis. With this scenario there would be no debt and rate increases would fund ongoing operations.

The second scenario presented as full participation with NISP, which would increase the cumulative rate by 119%, cost \$95M for NISP participation, projected debt issuance would be \$66M, rate payers would pay 12% for raw water development projects, and 2 WSSC shares would be purchased.

The third scenario presented numbers including General Fund Assistance, which would increase the cumulative rate by 104%, cost \$95M for NISP participation, projected debt issuance would be

\$56M, rate payers would pay 11% for raw water development projects, no WSSC shares would be needed, and a \$6M loan would be taken from the General Fund.

Mr. Harden discussed what the different scenarios would mean to the average monthly bill. He said the EPA has affordability metrics that give a good general idea, and for water bills, it is 2.5% of median household income. In 2017, Windsor's MHI was \$90,700. With all scenarios the average consumption rates over the 10 year study period would be under the affordability rate for Windsor based on the current MHI.

Mr. Hale and Ms. Overholt presented information on how the increase would be communicated to the public. Ms. Overholt said that she is working on branding Windsor as a Utility, and that there would be separate messaging from the Town.

Board Member Geiger made a motion of support for scenario 2, Board Vice-Chairperson Medina seconded the motion. Motion carried unanimously.

3. Meeting Schedule Discussion

Board Chairperson Bielawski stated that he had been reading through the bylaws of the Water Sewer Board, and they state that the Board meets monthly. Because of recent issues that have come before the Water Sewer Board and the increase in the decisions made by the Town Board on water and sewer issues, Mr. Bielawski proposed meeting monthly unless there are no items to discuss.

Board Member Willey made a motion to leave bylaws as they are and meet monthly unless cancelled by the Board Chairperson. Board Member Cline seconded the motion. Motion carried unanimously.

E. COMMUNICATIONS

1. Staff

There was no staff communication.

2. Board

Board Member Willey asked if anyone was attending the Poudre River Forum on February 1, 2019. Mr. Hale said that the Town would be able to send members that wanted to attend.

Board Member Willey said that she was approached by the Weld County and Larimer County Extension agents about putting together a class for new Colorado residents about Xeriscaping and using less water intense landscaping. The Board asked Ms. Willey to invite the Extension Agents to the next Water Sewer Board meeting for a 15 minute presentation.

Board Chairperson Bielawski asked about training for spill detection that was discussed in the last meeting Mr. Thornhill said it was possible. Mr. Bielawski asked to put it off until March.

Board Chairperson Bielawski asked about touring the Waste Water Treatment Plant, Mr. Thornhill said that it was possible, and that Greeley had offered a tour of their Bellevue Water

Treatment Plant, possibly in coordination with the Greeley Water and Sewer Board. Mr. Thornhill will work on planning the requested tours.

G. ADJOURN

Board Vice-Chairperson Medina moved to adjourn the meeting at 7:44 am; Board Member Geiger seconded the motion. Motion carried unanimously.

Submitted by:

A handwritten signature in blue ink, appearing to read "Erin Porter". The signature is written in a cursive style with a long horizontal stroke at the end.

Erin Porter, Utility Billing Administrative Specialist