



WATER AND SEWER BOARD REGULAR MEETING
November 13, 2019 – 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 6:31 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 (absent) |
| | | Janene Willey |
| | Town Board Liaison | Ken Bennett |

Also present:

Community Development Director	John Thornhill
Director of Finance	Dean Moyer
Director of Admin Services	Jess Humphries
Budget Analyst	Karl Gannon
Storm Water Coordinator	Janine Hegeman
Customer Service Manager	Mike Lucero
Utility Billing Admin Specialist	Erin Porter
Administrative Assistant	Kim French
Stantec Representative	Ethan Harden

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

Board Chairperson Bielawski requested that item E(1) from the Agenda, Grant applications made to Northern Water from Windsor entities be moved to Board Action to vote on a resolution in support of the grant application.

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 9, 2019 Regular Meeting
Board Member Zimbelman moved to accept the minutes for the October 9, 2019 meeting; Board Member Willey seconded the motion. Motion carried unanimously.

2. Grant Applications made to Northern Water from Windsor entities

- a. Letter of endorsement from Water and Sewer Board for Northern Water grant application for Highpointe Metro District.

Board Member Tokunaga presented the grant application that was submitted by the Highpointe Metro District to Northern Water. They have done a full water audit and are doing a full upgrade on their irrigation system to be more efficient in water use. They are converting a large portion of an area, about 1.8 acres on the frontage area of county road 13 and 1.3 acres of the adjoining subdivision, that is currently Kentucky Bluegrass into more native grasses and wildflowers.

Mr. Tokunaga also stated that this type of program helps to facilitate the Town's goal of water conservation and awareness, and enhances educational outreach. Mr. Tokunaga contacted Board Chairperson Bielawski if it would be appropriate to seek an endorsement from the Water Sewer Board for the application. Mr. Thornhill verified that he had spoken with the legal department and there would be no legal issues in doing so.

Board Vice-Chairperson Medina moved to endorse the recommendation letter supporting the grant application; Board Member Willey seconded the motion. Motion carried unanimously.

D. PRESENTATIONS AND DISCUSSION

1. Water Rates Presentation

Ethan Harden from Stantec presented the updated water rate study and the changes from the last rate study. Actual 2018 revenues and expenses were updated, 2019 budgets were updated, the 2020 proposed budget was incorporated, the 10-year Capital Improvement Plan was updated, assumptions were validated, and water rate scenarios were re-evaluated. In the projections, the NISP project was delayed until 2023 by considering the current delay, and in 2028 the plan includes a regional water treatment plant shared by other regional members in the area.

The financial goals presented in the water rate study include maintaining debt service coverage at a target level of 120% of expenses, maintaining adequate reserve requirements of 90 days cash on hand to retain bond ratings, minimizing rate impacts to rate payers, growth pays for growth, and adequately fund water resource needs.

Scenarios were built on key drivers of the water rate projection, including various growth projection scenarios, whether the treatment cost projection for the North Weld County Water District passed or failed in the election, and the timing of the NISP project. Growth estimates factored in mainly the new Raindance single family equivalent platted non-platted lots to get an accurate picture of future development.

For the average bill, 2019 and 2020 were fairly close to O&M and Capital Costs, but if nothing changes, by 2026 the costs would overtake the revenues. Overall there is a lower percentage increase that projected last year. 2 scenarios were presented; Scenario 1 projected a 7% increase factoring in an 80% growth rate, the passing of the mill levy, and NISP being delayed until 2023, Scenario 2 projected a 6% increase with a 100% growth rate, the failure of the mill levy, and NISP being delayed until 2024. Stantec and staff recommended Scenario 1 to allow for some flexibility in debt service and operating services, allowing more cash on hand and less debt will need to be issued. Both scenarios are inclusive of the 3.5% increase for regular operating costs.

The Board discussed the 2 scenarios.

Board Vice-Chairperson Medina moved to recommend Scenario 1 to the Town Board; Board Member Willey seconded the motion, motion carried unanimously.

2. Stormwater Fees Presentation

Ms. Hegeman presented information regarding a proposed increase to the Storm Drainage Basin Improvement Fee and the New Growth Basin Impact Fee. The Monthly Basin User Fee is calculated based on the square footage of the lot, the impervious size, and 2 rate factors, the O&M Rate Factor and the Basin Improvement Rate Factor.

Due to increased capital and operating requirements, staff is requesting increases of 1.8% of the Basin Improvement Rate Factor of 1.8%, or from \$0.0002 per square foot to \$0.00023 per square foot, and an increase of 15% to the O&M Rate Factor, or a change from \$0.00072 per square foot to \$0.000733 per square foot. Staff is also requesting an increase of 1.8% to the New Growth Basin Impact Fee from \$0.2206 per square foot to \$0.2246 per square foot.

Staff anticipates that there will be a projected shortfall due to an increase in O&M expenses brought about by additional staffing, lower interest income due to increased capital activity resulting in a lesser fund balance, and additional required resources due to the implementation of the MS4 Program. Staff estimates that an additional \$20,000 will be needed in 2020, and a 15% increase in the O&M rate factor will generate approximately \$24,000.

These increases are warranted due to the Fund's short-term capital requirements for the Chestnut Street and 10th Street drainage projects and long-term community needs for the Law Basin Channel. The projected increase is anticipated to be further enhanced with a 3% annual increase in customer accounts, and together with regular annualized increases, will provide over \$90,000 in additional revenue for the Town's storm drainage requirements over the next 10 years.

Mr. Gannon stated that per municipal code, the monthly basin improvement rate factor can be increased on an annual basis based on a 2-year rolling average of the last annual CPI (Consumer Price Index) rate and the O&M rate factor can be increased on an annual basis based on a 2-year rolling average of the CCI (Construction Cost Index).

The average residential customer will see an increase of \$0.16 per month, but the projected increase over all accounts will result in additional revenue of \$34,135 for 2020.

The Board discussed the proposal.

Board Member Tokunaga moved to recommend the increase in stormwater fees to the Town Board; Board Vice-Chairperson Medina seconded the motion, motion carried unanimously.

3. Formation of Ad Hoc Committee "Citizen Outreach"

Board Chairperson Bielawski discussed the communication he sent out regarding the creation of a new ad hoc committee for citizen outreach. He stated that there would be a large time commitment and activities would be focused on Windsor. Board Member Willey mentioned creating a library of presentations specific to various aspects of community education that could be available to various community groups when requested.

Mr. Thornhill advised that he is asked to make several presentations, and he has to turn down several of them due to time constraints. He stated that the budget for water conservation was increased for the next year, but not enough to cover staff time to provide these presentations.

The Board discussed various potential programs including the Boot Camp offered by the Weld and Larimer extension agents, xeriscaping, and new resident water education.

Mr. Thornhill stated that no standing committees could be set up per the charter, so any ad hoc committees would need to be reviewed every year. Board Member Cline asked if the meeting could be rolled in to the existing Water Sewer Board meeting, Mr. Thornhill stated that it would have to be separate from the existing Board meeting, but could be done before or after the regular meeting. Mr. Thornhill also stated that ad hoc committees did not need to be documented.

Board Chairperson Bielawski stated that from the level of interest he had gotten, he and Board Member Willey would be the core members. Board Vice-Chairperson Medina volunteered to be part of the committee, and Board Members Cline and Tokunaga said they could not make a full commitment, but would be willing to participate.

Board Member Zimbelman moved to create the ad hoc committee for 1 year; Board Member Cline seconded the motion, motion carried unanimously.

E. COMMUNICATIONS

1. Dates of Upcoming Events: Northern Water Symposium, Nov 20 and Poudre River Forum, Feb 28

Board Chairperson Bielawski stated that the Northern Water Fall Users meeting had been renamed to the Northern Water Symposium.

Board Chairperson Bielawski stated that in 2018 the sponsors for the Poudre River Forum were able to subsidize the cost of attending, but this year they were not. He asked if the Town would be willing to cover the cost of the entrance fee. Ms. Humphries stated that last year the Town covered \$30.00 of the fee, and there was money in the budget to cover the same for next year.

2. Staff Communication

Ms. Porter advised that the brush recycling day had been postponed due to weather, and that the rescheduled date was the upcoming Saturday, November 16th at Eastman Park south of the Treasure Island Demonstration Garden.

Mr. Thornhill advised that during the scheduled time for the December meeting neither he or Ms. Humphries would be available, and there were no agenda items. He recommended cancelling the meeting for December. Board Chairperson Bielawski stated that he had concerns about getting into the habit of not having a monthly meeting.

Board Member Zimbelman brought up the previous conversation when the Board decided to meet monthly rather than every other month, that if there was the opportunity not to have a monthly meeting due to lack of items, the meeting would be cancelled. Board Vice-Chairperson Medina stated that if something came up in the interim a special meeting could always be called.

G. ADJOURN

Board Member Willey moved to adjourn the meeting at 7:51 am; Board Member Zimbelman 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