



TOWN BOARD WORK SESSION MEETING
September 26, 2016 – 6:00 P.M.
301 Walnut Street, First Floor Conference Room
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 Thursday prior to the meeting to make arrangements.

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.

AGENDA

1. Greeley Loveland Water Irrigation Company follow up – I. McCargar
Verbal update
2. Water Rates Update – D. Moyer
3. Winter Averaging for Commercial/Industrial Accounts - P. Garcia
4. Future Meetings Agenda



MEMORANDUM

Date: September 26, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Dean Moyer, Director of Finance and Information Systems
Re: 2017 Water Rates
Item #: WKS - 2

Background / Discussion:

Our current rate structure was developed in response to the worst part of the drought in 2003, as well as our 2011 water rate study recommendations.

We added a third tier to this system in 2012 to target those customers that use on a monthly basis more water than was dedicated with their property when annexed, especially targeting single family homes without a non-potable irrigation system. The tiers are tied to the annual CBT water share allocation, one tier at the historical allocation of 16,000 gallons per month, the second tier being 16,001 up to 22,500 gallons per month and the third tier being over 22,500 gallons per month. The 22,500 gallons per month equates to 100% CBT allocation spread over 12 months.

Historically we have passed along any increases from our suppliers and cost of service increases to our customers by adjusting the dollars charged per 1,000 gallons. We have learned from Greeley that our cost for 2017 water should increase by 4.5%. We have not yet heard from North Weld or South Ft. Collins.

Water purchase records show that we purchase about 30% of our water supply from the City of Greeley.

At their meeting on October 12, 2016, the Water and Sewer Board will consider the rate structure for 2017. I will present this recommendation to them for their consideration. Once they have approved, this will come before you as a Resolution later this year.

Financial Impact:

Using a weighted average approach to apply the cost increase, I am proposing that we increase the rates by 1.35% this year. This is figured by dividing the 4.5% increase by the 30% portion of our overall water supply.

Recommendation

Adopt the rate structure as presented, making it effective beginning January 15, 2017. The 15th is when we read meters and this date will be the first reading day in the year.

Attachments:

Existing 2016 Water Rate Chart
Proposed 2017 Water Rate Chart
Draft Resolution

TOWN OF WINDSOR

RESOLUTION NO. 2016-_____

A RESOLUTION ESTABLISHING RATES FOR TOWN OF WINDSOR WATER SERVICE CUSTOMERS, AND AUTHORIZING THE IMPLEMENTATION OF SUCH RATES

WHEREAS, the Town of Windsor is a Colorado Home Rule Municipality, with all powers of self-government as provided by Colorado law; and

WHEREAS, in keeping with the commands of Windsor Municipal Code Section 13-2-90, the Town Board has annually undertaken to fix rates for users of the Town's municipal treated water system; and

WHEREAS, on **December 14, 2015**, the Town Board was presented a proposed water rate structure developed by Town staff; and

WHEREAS, the aforementioned water rate structure states that:

- sixty three percent (63%) of the Town's water customers are in the category of "*3/4 inch Single Family Residential without a Dual Water System*"; and
- this customer category accounts for fifty three percent (53%) of the Town's annual water usage;

and

WHEREAS, the aforementioned water rate structure contains a recommendation that the Town consider an additional third-tier usage threshold and rate for the customer category of "*3/4 inch Single Family Residential without a Dual Water System*"; and

WHEREAS, the Water and Sewer Board has recommended that the Town Board approve the within-described rates to offset supplier price increases and otherwise assure the prudent management of the Town's water utility enterprise; and

WHEREAS, the Town Board has considered the recommendations of the 2016 Water Rate Study, the needs of the community and the financial realities of the Town's treated water supply sources; and

WHEREAS, in addition to the authority found within *Windsor Municipal Code* Section 13-2-90, Section 12.2 of the Windsor Home Rule Charter authorizes the Town Board to establish rates for the use of municipal water.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. Commencing with the monthly billing period beginning January 15, 2017, only Town water users in customer category of “*3/4 inch Single Family Residential without a Dual Water System*” shall be subject to a third tier of water usage and corresponding fees, as is set forth in the attached schedule. All other users shall be subject to the first-tier and second-tier rates set forth in the attached schedule.
2. Commencing with the monthly billing period beginning January 15, 2017, Town water users shall be assessed an increased usage charge per 1,000 gallons of water used. As is set forth in the following schedule, usage under the applicable first-tier threshold for each customer category shall be charged at \$3.78/1,000 gallons per month. Usage over the applicable second-tier threshold, but under the applicable third-tier threshold, shall be charged at \$5.64/1,000 gallons per month. Usage over the applicable third-tier threshold shall be charged \$8.40/1,000 gallons per month.
3. In order to maintain the system and plan for additional system improvements, the monthly base fee for each category of water user shall be collected at the levels set forth in the attached table.
4. The table attached hereto shall be incorporated herein by this reference as if set forth fully.
5. The within Resolution shall supersede all prior rate-setting Resolutions for treated water customers served by the Town’s water utility enterprise.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 14th day of December, 2015.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

2017 Proposed Water Rates							
Customer Category	Monthly Base Fee	1 st Tier Usage Charge (per 1,000 gallons)	2nd Tier Usage Charge (per 1,000 gallons)	3rd Tier Usage Charge (per 1,000 gallons)	1st Tier Threshold (gallons per month)	2nd Tier Threshold (gallons per month)	3rd Tier Threshold (gallons per month)
¾" Single Family Residential w/o Dual Water System	\$14.81	\$3.78	\$5.64	\$8.40	16,000	16,001-22,500	>22,500
¾" Residential with Operative Dual System	\$14.81	\$3.78	\$5.64	-	9,700	-	-
1" Residential with Operative Dual System	\$23.93	\$3.78	\$5.64	-	9,700	-	-
1.5" Residential with Operative Dual System	\$49.00	\$3.78	\$5.64	-	9,700	-	-
¾" Multi-family Residential	\$9.57	\$3.78	\$5.64	-	15,700	-	-
¾" Commercial-Industrial-School	\$14.81	\$3.78	\$5.64	-	157,000	-	-
1" Commercial-Industrial-School	\$23.93	\$3.78	\$5.64	-	157,000	-	-
1.5" Commercial-Industrial-School	\$49.00	\$3.78	\$5.64	-	157,000	-	-
2" Commercial	\$77.49	\$3.78	\$5.64	-	493,000	-	-
2" Industrial	\$77.49	\$3.78	\$5.64	-	783,000	-	-
2" School	\$77.49	\$3.78	\$5.64	-	157,000	-	-
3" School	\$145.87	\$3.78	\$5.64	-	306,700	-	-
4" Industrial	\$243.25	\$3.78	\$5.64	-	2,461,000	-	-

2016 Water Rates							
Customer Category	Monthly Base Fee	1 st Tier Usage Charge (per 1,000 gallons)	2nd Tier Usage Charge (per 1,000 gallons)	3rd Tier Usage Charge (per 1,000 gallons)	1st Tier Threshold (gallons per month)	2nd Tier Threshold (gallons per month)	3rd Tier Threshold (gallons per month)
¾" Single Family Residential w/o Dual Water System	\$14.81	\$3.73	\$5.56	\$8.29	16,000	16,001-22,500	>22,500
¾" Residential with Operative Dual System	\$14.81	\$3.73	\$5.56	-	9,700	-	-
1" Residential with Operative Dual System	\$23.93	\$3.73	\$5.56	-	9,700	-	-
1.5" Residential with Operative Dual System	\$49.00	\$3.73	\$5.56	-	9,700	-	-
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1" Commercial-Industrial-School	\$23.93	\$3.73	\$5.56	-	157,000	-	-
1.5" Commercial-Industrial-School	\$49.00	\$3.73	\$5.56	-	157,000	-	-
2" Commercial	\$77.49	\$3.73	\$5.56	-	493,000	-	-
2" Industrial	\$77.49	\$3.73	\$5.56	-	783,000	-	-
2" School	\$77.49	\$3.73	\$5.56	-	157,000	-	-
3" School	\$145.87	\$3.73	\$5.56	-	306,700	-	-
4" Industrial	\$243.25	\$3.73	\$5.56	-	2,461,000	-	-

2017 Proposed Water Rates

Customer Category	Monthly Base Fee	1 st Tier Usage Charge (per 1,000 gallons)	2nd Tier Usage Charge (per 1,000 gallons)	3rd Tier Usage Charge (per 1,000 gallons)	1st Tier Threshold (gallons per month)	2nd Tier Threshold (gallons per month)	3rd Tier Threshold (gallons per month)
¾" Single Family Residential w/o Dual Water System	\$14.81	\$3.78	\$5.64	\$8.40	16,000	16,001-22,500	>22,500
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¾" Multi-family Residential	\$9.57	\$3.78	\$5.64	-	15,700	-	-
¾" Commercial-Industrial-School	\$14.81	\$3.78	\$5.64	-	157,000	-	-
1" Commercial-Industrial-School	\$23.93	\$3.78	\$5.64	-	157,000	-	-
1.5" Commercial-Industrial-School	\$49.00	\$3.78	\$5.64	-	157,000	-	-
2" Commercial	\$77.49	\$3.78	\$5.64	-	493,000	-	-
2" Industrial	\$77.49	\$3.78	\$5.64	-	783,000	-	-
2" School	\$77.49	\$3.78	\$5.64	-	157,000	-	-
3" School	\$145.87	\$3.78	\$5.64	-	306,700	-	-
4" Industrial	\$243.25	\$3.78	\$5.64	-	2,461,000	-	-

DRAFT



MEMORANDUM

Date: September 26, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Patti Garcia, Town Clerk/Assistant to the Town Manager
Re: Average Winter Sewer Consumption for Commercial/Industrial Accounts
Item #: WKS – 3

Background / Discussion:

Staff has been researching sewer billing options in an effort to provide customers with a more equitable billing structure through Winter Averaging for sewer use. It is a program that calculates sewer flow charges based on water consumption during winter months when customers historically use the least amount of water. It has been found that Winter Averaging equitably distributes costs to system users.

In 2000, the Town Board adopted a resolution which established a modified schedule of sewer rates specifically for commercial/industrial accounts that were not on a dual system. The purpose of the fee recommendation was to account for the commercial/industrial outdoor use of water that was not discharged into the public sewer system, i.e. irrigation. Staff has found that not all commercial/industrial accounts transitioned to these rates and some are being billed actual consumption; it appears those accounts were set up prior to 2003 and their billings rates were not changed.

There are a total of 37 commercial/industrial accounts that are not on a dual system which are serviced by the Town of Windsor. Currently, 19 of these accounts are being billed a flat fee reflective of their water meter size and a commodity charge based on the water usage. The balance of the accounts (18) are being billed consumption based on their metered usage which is intended to be used for accounts with a separate meter for outdoor usage.

Staff is recommending that Winter Averaging be implemented with the current commercial/industrial accounts that are not on a dual system. Using data from 2014/2015, billing comparisons were created of the 37 accounts using the current flat fee, consumption, and winter averaging; those results are attached to this memo. The Winter Average was found using consumption from December 2014 and January and February 2015.

Staff has provided this information to the Water & Sewer Board on August 10, 2016 and received their support in billing using Winter Averaging rates. The average consumption would be analyzed in February with new rates taking effect in April of each year. The Town's utility billing software has a module which would create the calculations and it would allow for all of the accounts to be billed in a consistent manner based on their actual winter usage.

Financial Impact:

There is no financial impact to the Town of Windsor. There are 13 accounts on the attached Annual Billing Comparison that would have had an increase in their billing based on the 2014/2015 data; a majority of those are being billed the flat fee which is not truly indicative of their water use.

Attachments:

Current Billing Structure

Annual Billing Comparison - Commercial/Industrial Accounts without a Dual System

Sewer Billing Structure 2016

MONTHLY SEWER CHARGES	
Single-family dwelling units	\$20.00

Commercial/Industrial without separate meter for outdoor usage (irrigation)				
Water Meter Size	Winter Usage in gallons	Base Fee	PLUS Commodity Charge	= TOTAL Monthly Charge
¾"	3,750	\$19.00	\$6.10	\$25.10
¾"	5,625	\$19.00	\$9.15	\$28.15
¾"	7,500	\$19.00	\$12.20	\$31.20
¾"	11,250	\$19.00	\$18.30	\$37.30
¾"	21,000	\$19.00	\$34.61	\$53.61
¾"	50,100	\$19.00	\$81.50	\$100.50
1.0"	2,250	\$31.00	\$3.66	\$34.66
1.0"	4,500	\$31.00	\$7.32	\$38.32
1.0"	19,500	\$31.00	\$31.72	\$62.72
1.0"	28,500	\$31.00	\$46.36	\$77.36
1.0"	40,500	\$31.00	\$65.88	\$96.88
1.5"	25,500	\$61.00	\$41.48	\$102.48
1.5"	45,000	\$61.00	\$73.20	\$134.20
1.5"	63,000	\$61.00	\$102.48	\$163.48
1.5"	112,500	\$61.00	\$183.00	\$244.00
2.0"	502,500	\$97.00	\$817.40	\$914.40
4.0"	1,657,500	\$301.00	\$2,696.20	\$2997.20

Commercial/Industrial with separate meter for outdoor usage (irrigation)		
Water Meter Size	Base Fee	PLUS Commodity Charge per 1,000 gallons
¾"	\$19.00	\$1.63
1"	\$31.00	\$1.63
1.5"	\$61.00	\$1.63
2"	\$97.00	\$1.63
3"	\$181.00	\$1.63
4"	\$301.00	\$1.63
Kodak site		\$1.63

Account Name	Address	Flat Fee Billing	Consumption Billing	Winter Average Dec, Jan, Feb	Winter Avg + OR - from current	Highlight is what they are currently being billed
Main Street Plaza Condo Association	1290 Main Street	\$ 2,064.83	\$ 2,478.42	\$ 1,988.03	\$ (76.80)	
Windsor Tech Business Condo Associa	561 E Garden Dr A-J	\$ 1,963.86	\$ 2,144.13	\$ 1,975.26	\$ 11.40	
Windsor Tech Business Condo Associa	541 E Garden Dr K-S	\$ 3,189.70	\$ 3,623.89	\$ 3,321.82	\$ 132.12	
Hamed, Samuel & Diane	1230 W Ash St	\$ 2,472.46	\$ 3,051.13	\$ 2,469.22	\$ (3.24)	
Our Lady of the Valley	1250 7th Street	\$ 1,124.44	\$ 1,253.10	\$ 1,215.76	\$ 91.32	
Brunner, Kenton	1190 W Ash Street	\$ 1,444.97	\$ 1,531.60	\$ 1,337.21	\$ (107.76)	
Peacedogs, LLC	1200 W Ash St	\$ 1,118.92	\$ 1,266.32	\$ 1,181.20	\$ 62.28	
Windsor Automation LLC	701 Automation Drive	\$ 2,802.98	\$ 3,479.90	\$ 2,795.90	\$ (7.08)	
Pepe-Samsam Investments	1220 W Ash Street	\$ 1,493.49	\$ 1,766.19	\$ 1,494.45	\$ 0.96	
Och Partners Two LLC	1231 Main Street	\$ 1,321.67	\$ 1,537.20	\$ 1,283.87	\$ (37.80)	
Quin Clay LLC	1245 Main Street	\$ 1,353.83	\$ 1,584.53	\$ 1,414.04	\$ 60.21	
The GFP Windsor	680 Technology Circle	\$ 1,474.25	\$ 1,645.60	\$ 1,481.09	\$ 6.84	
F & S Investments	728 Main Street	\$ 1,232.34	\$ 1,392.42	\$ 1,211.22	\$ (181.20)	
Bright Assisted Living	610 Hemlock	\$ 2,363.84	\$ 2,285.92	\$ 2,035.76	\$ (250.16)	
Doug & Tracy Morey	124 Main Street	\$ 1,029.63	\$ 1,173.08	\$ 1,099.71	\$ (73.37)	
Windsor Church of Christ	102 Elm Street	\$ 1,196.66	\$ 1,340.82	\$ 1,147.70	\$ (193.12)	
Brian Casson	901 Main Street	\$ 951.17	\$ 938.27	\$ 949.85	\$ 11.58	
Metal Container Corp	1201 Metal Container Ct	\$ 126,641.23	\$ 132,688.33	\$ 129,511.75	\$ 2,870.52	
P&R Partners	701 Main Street	\$ 891.59	\$ 971.95	\$ 828.83	\$ (143.12)	
CCJ Properties	1040 Walnut Street	\$ 1,096.46	\$ 1,219.17	\$ 1,052.66	\$ (166.51)	
7 Eleven	629 Main Street	\$ 2,182.19	\$ 1,750.69	\$ 1,706.51	\$ (44.18)	
Hexcel Corp	31815 Great Western Driv	\$ 5,559.18	\$ 5,184.92	\$ 4,434.90	\$ (750.02)	
Clearview Library	720 3rd Street	\$ 3,324.47	\$ 3,891.45	\$ 3,085.19	\$ (806.26)	
Methodist Church	503 Walnut Street	\$ 933.97	\$ 823.03	\$ 826.21	\$ 3.18	
320 East Chestnut	320 E Chestnut	\$ 892.37	\$ 869.62	\$ 817.85	\$ (51.77)	
Auto Collisions Experts	240 1st Street	\$ 970.86	\$ 962.30	\$ 884.82	\$ (77.48)	
S & Jabez LLC	1265 Main Street	\$ 6,592.38	\$ 7,558.81	\$ 7,252.14	\$ (306.67)	
Loaf & Jug	1201 Main Street	\$ 3,709.10	\$ 3,913.56	\$ 3,357.02	\$ (352.08)	
L&E Foods	101 12th Street	\$ 3,630.42	\$ 4,370.13	\$ 3,947.34	\$ (422.79)	
Wells Fargo	1069 Main Street	\$ 1,435.71	\$ 1,610.54	\$ 1,398.63	\$ (37.08)	
Bank of Colorado	1041 Main Street	\$ 3,707.45	\$ 4,809.80	\$ 3,974.93	\$ 267.48	
Ron Schaefer	641 Innovation Cir	\$ 1,409.94	\$ 1,419.43	\$ 1,214.70	\$ (204.73)	
Pizza Hut	100 12th Street	\$ 8,534.17	\$ 10,527.78	\$ 9,539.05	\$ 1,004.88	
Mapa Investments	628 Main Street	\$ 891.07	\$ 762.57	\$ 686.71	\$ (75.86)	
Church on the Ancient Path	129 Walnut Street	\$ 2,177.47	\$ 2,840.54	\$ 2,140.15	\$ (37.32)	
McDonalds	1061 Main Street	\$ 5,318.01	\$ 5,740.07	\$ 5,390.73	\$ 72.72	
Arlean Koehler	220 Main Street	\$ 1,763.95	\$ 1,567.43	\$ 1,531.03	\$ (36.40)	
				TOTAL	\$ 152.69	



FUTURE TOWN BOARD MEETINGS

Work Sessions & Regular Meetings will be held in the Board Chambers unless otherwise noted.

October 3, 2016 6:00 p.m.	Town Board Work Session – Joint meeting with Planning Commission Code Update kick off – Chapter 15-17 code update Village East developer proposal to amend the Windsor-Severance Intergovernmental Agreement Weld County Coordinated Planning Agreement Design Standards Update Road Impact Fee Update
October 10, 2016 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting DDA Budget Work Session
October 10, 2016 7:00 p.m.	Town Board Meeting
October 17, 2016 6:00 p.m.	Town Board Work Session Municipal Judge Interviews
October 24, 2016 6:00 p.m.	Town Board Work Session Retail Study Analysis – Katy Press Budget follow up discussion
October 24, 2016 7:00 p.m.	Town Board Meeting
October 31, 2016	Fifth Monday
November 7, 2016 6:00 p.m.	Town Board Work Session
November 14, 2016 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
November 14, 2016 7:00 p.m.	Town Board Meeting Kern Board Meeting
November 21, 2016 6:00 p.m.	Town Board Work Session
November 28, 2016 6:00 p.m.	Town Board Work Session
November 28, 2016 7:00 p.m.	Town Board Meeting
December 5, 2016 6:00 p.m.	Town Board Work Session Joint meeting with Historic Preservation Commission to review CSU Historic Church Survey

December 12, 2016 Board/Manager/Attorney Monthly Meeting
5:30 p.m./1st floor conference room

December 12, 2016 Town Board Meeting
7:00 p.m.

December 19, 2016 Town Board Work Session
6:00 p.m.

December 26, 2016 Town Board Meeting – Town Hall closed
7:00 p.m.

Additional Events

September 29, 2016; 11 am Windsor Meadows Grand Opening; attending – K. Melendez, I. Adams, K. Bennett, P. Rennemeyer

September 29, 2016; 4:00 pm Colorado Municipal League District 2 meeting – Evans; attending – K. Melendez, I. Adams, K. Bennett, P. Renemeyer

October 4, 2016; 5:30 pm Chamber of Commerce – Meet the Leaders Night/CRC; attending – K. Melendez, I. Adams, M. Baker, B. Boudreau, C. Morgan, P. Rennemeyer

October 8, 2016 Town Board Budget work session

October 10, 2016; 5 pm Public Works & Parks Facility Groundbreaking

October 19, 2016; 5 pm Chamber of Commerce – Annual Dinner/CRC; attending – K. Melendez, I. Adams, M. Baker, K. Bennett, B. Boudreau, C. Morgan, P. Rennemeyer

Future Work Session Topics

CIP Parks Master plan - October

Broadband discussion - December

Economic Development Incentive Program review - December

Continuation of Water Discussion

Water Rights Dedication Policy

Road Impact Fee review/update

Overview of Police Operations

Weld County CPA Design Standards

Windsor Housing Authority Update

Review of current Intergovernmental Agreements

Water Rights Dedication Policy