



**TOWN BOARD
WORK SESSION**

**April 9, 2017 // 5:30 p.m. // First floor conference room
301 Walnut Street, Windsor, CO 80550**

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. Town Board/Manager/Attorney Monthly Meeting
2. Recap of Water Rate Study – D. Moyer
3. Future Meetings Agenda



Town of Windsor, CO

Water Rate Study

A close-up photograph of dark blue water with fine ripples and small waves, creating a textured surface. The lighting is dramatic, highlighting the crests of the waves.

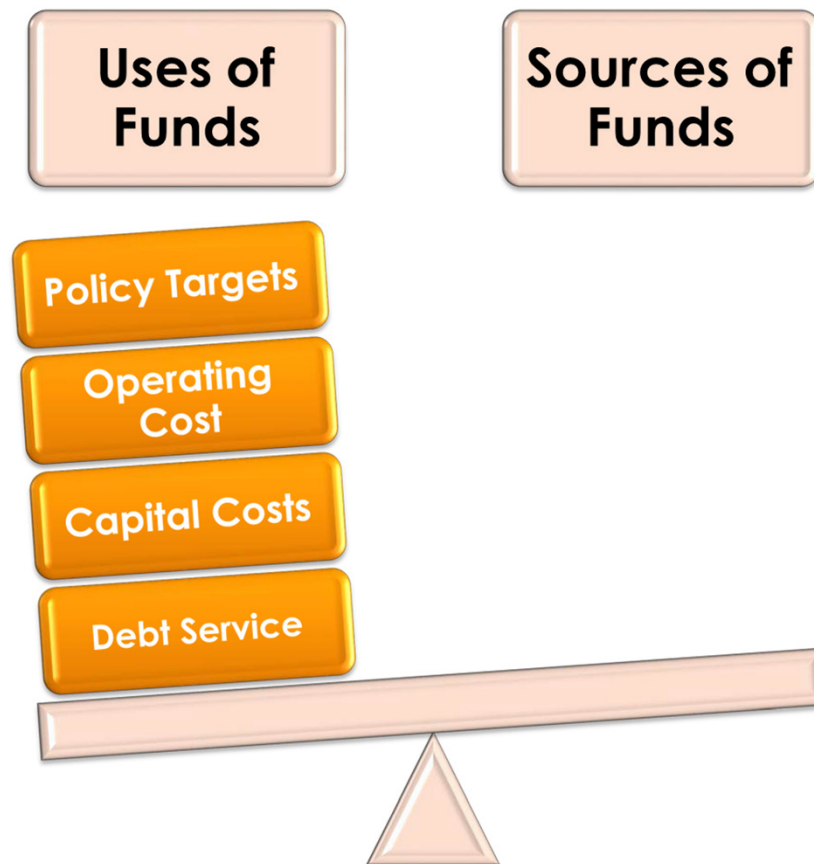
Agenda

1. Overview
2. Water Fund Scenarios

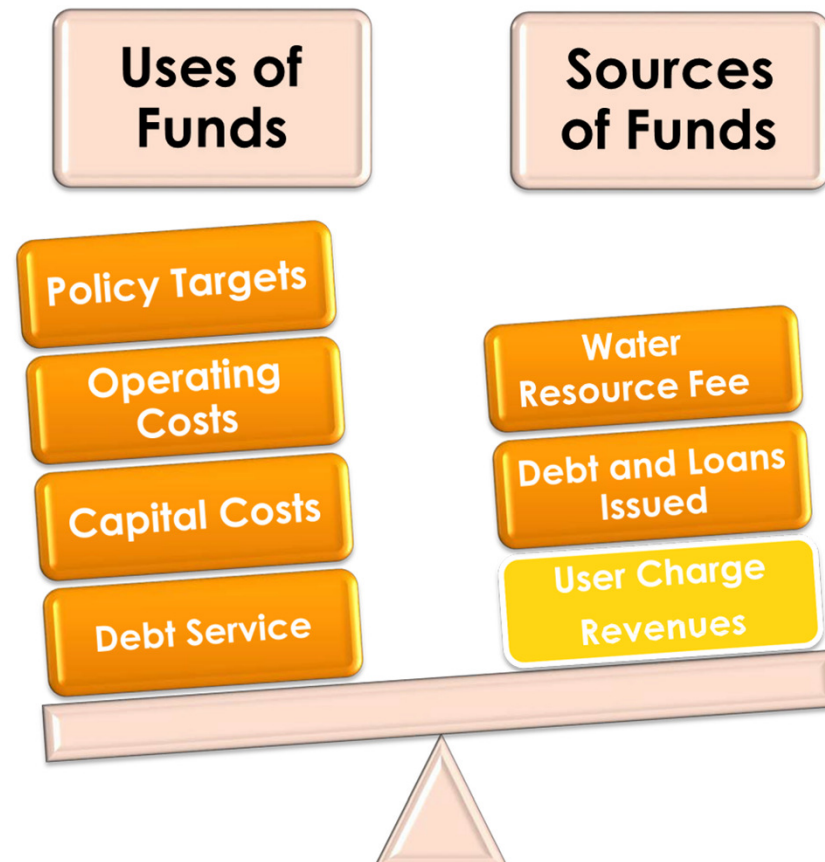
A close-up photograph of dark blue ocean waves with white foam, creating a textured and dynamic background. The lighting is dramatic, highlighting the crests of the waves.

Utility Overview

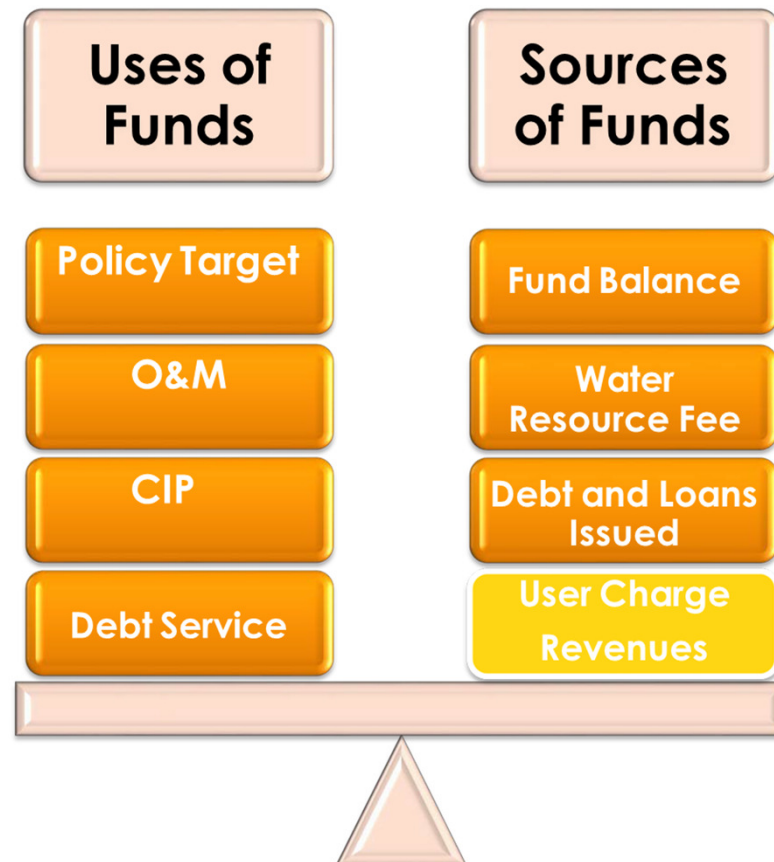
Utility's financial plans balance sources and uses of cash



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



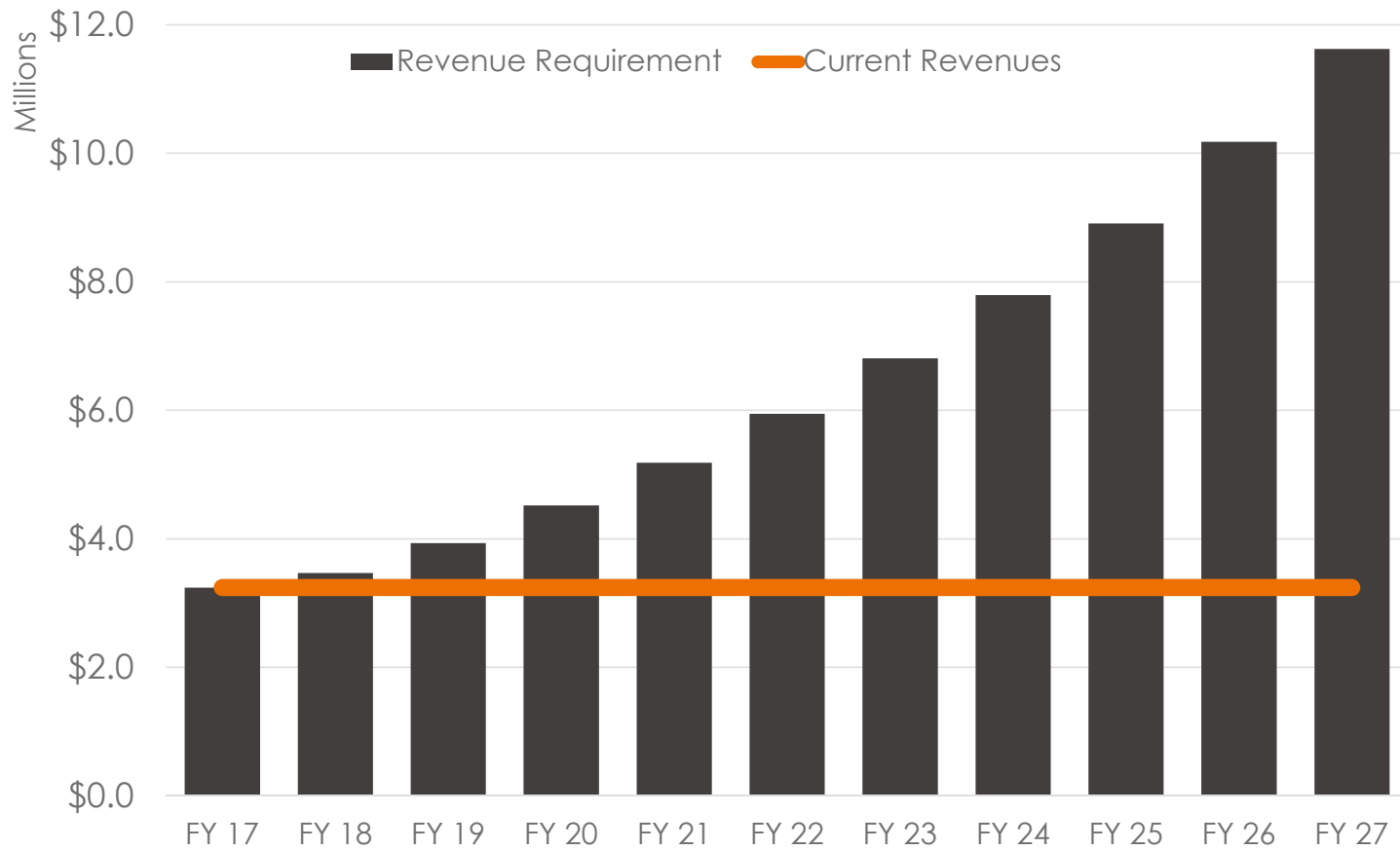
Utility's Assumptions

- Capital Expenses
 - \$87.3M Water Resource Project expense occurring 2018-2027
 - Average of \$2.3M non-water resource CIP annually
 - \$25M Water Treatment Plant planned for 2027
- Water cost procured through NWCWD, FCLWD, and Greeley is escalated at 3.0%, 2.3% and 4.0% respectively.
- Expenses escalate at 3%, unless otherwise noted
- Growth estimates consistent with economic development reports (both platted and non-platted)
 - 100% Growth = 261 lots through FY 2019 and 441 lots through FY 2027
 - 75% Growth = 196 lots through FY 2019 and 331 lots through FY 2027

Utility's Financial Goals

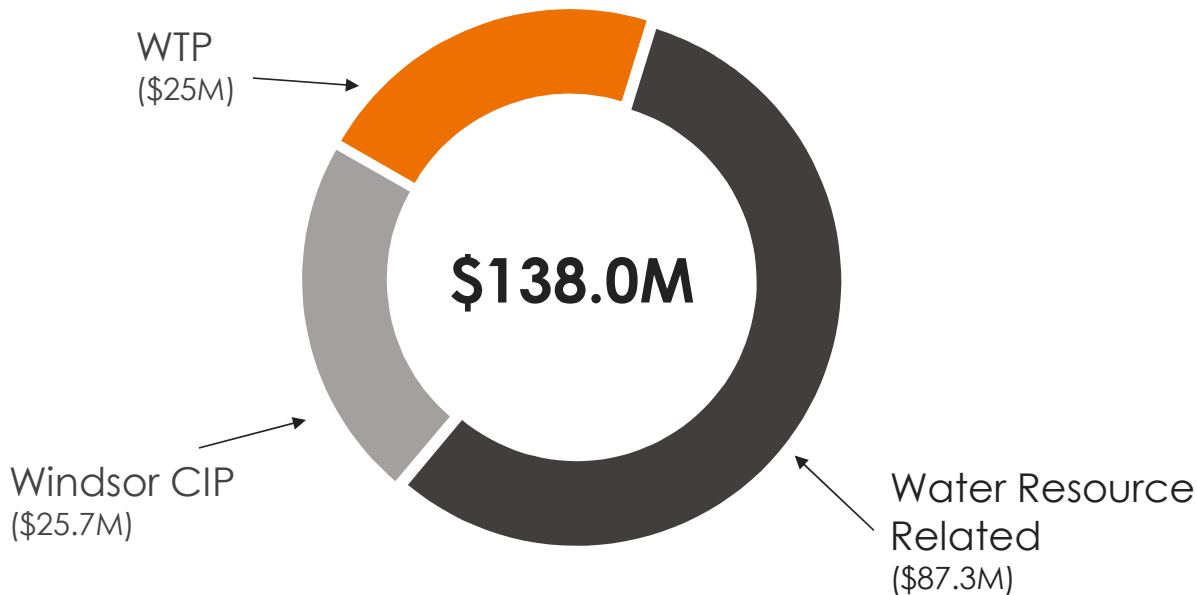
- Maintain combined debt service coverage at target level
- Maintain adequate reserve requirements
 - Water – 90 days cash on hand to maintain bond ratings
- Balance rate impacts (both user rates and development fees)
- Adequately fund future treatment and water resource needs

Revenue Requirements



Capital Improvement Projects Breakdown

Total Project Needs 2017-2027



Major Projects Include...

Windsor CIP

- Water Lines (\$6M)
- System Improvements (\$19.7M)

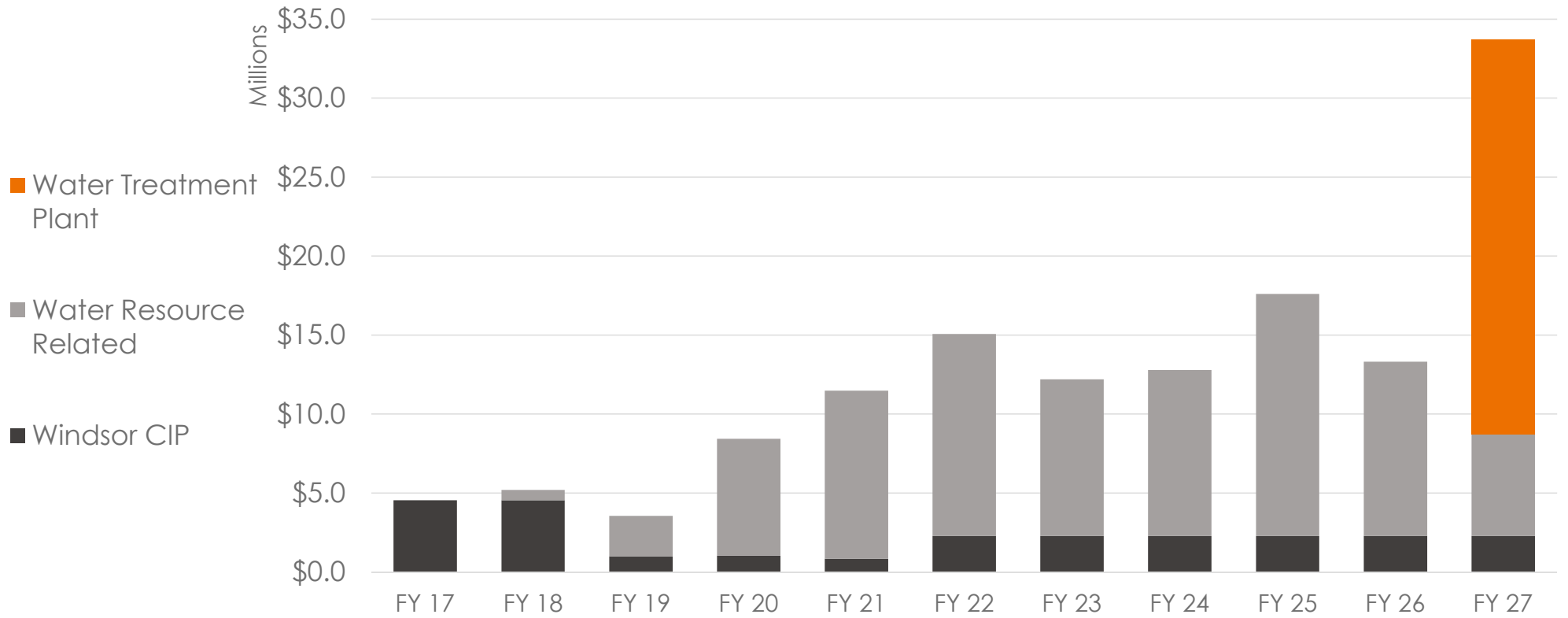
Water Resource Related Costs

- Water Resource project costs (\$83.6M)
- Conveyance Cost (\$3.7M)

Water Treatment

- Water Treatment Plant (WTP) (\$25M)

Capital Improvement Projects By Function





Scenarios

Water Financial Plan

Water Scenario Summary

Scenarios

Scenario	Growth ¹	Annual Rate Increase ²	Additional Water Resource Fee ³
1	100%	10.00%	\$15,000
1a	75%	10.00%	\$21,550

¹ Scenario 1 includes 100% growth and assumes a \$25M Water Treatment Plant in FY2027

² 5% rate increase in all scenarios for FY 2018. Rate increases are effective from FY 2019-2025

³ Fee is phased in over 4 year period beginning in FY 2019

Water Financial Plan

Scenario 1

Scenario 1	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22	FY '23	FY '24	FY '25	FY '26	FY '27	Cumulative
Rate Increase	-	5.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	-	-	104.70%
Debt Issuance (\$M)	-	-	5.883	-	10.658	-	6.086	-	8.394	-	-	31.021
DSC Coverage	2.77	2.16	1.75	2.18	1.76	2.03	2.11	2.47	2.25	2.19	2.19	
Operations Fund Balance (\$M)	5.844	4.001	3.174	2.554	2.216	1.377	1.643	2.720	2.110	1.190	2.074	

Assumptions:

- Growth at 100%
- Water Treatment Plant in FY '27 for \$25M
- Additional Water Resource Fee: \$15,000

Water Financial Plan

Scenario 1a

Scenario 1a	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22	FY '23	FY '24	FY '25	FY '26	FY '27	Cumulative
Rate Increase	-	5.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	-	-	104.70%
Debt Issuance (\$M)	-	-	5.883	-	10.658	-	6.086	-	8.394	-	-	31.021
DSC Coverage	2.77	2.11	1.68	2.05	1.65	1.88	1.91	2.23	1.98	1.90	1.93	
Operations Fund Balance (\$M)	5.843	3.319	2.474	1.920	1.573	1.154	1.042	1.608	2.060	1.350	1.675	

Assumptions:

- Growth at 75%
- Additional Water Resource Fee: \$21,550

Water Financial Plan

Water Scenario Summary

Scenarios

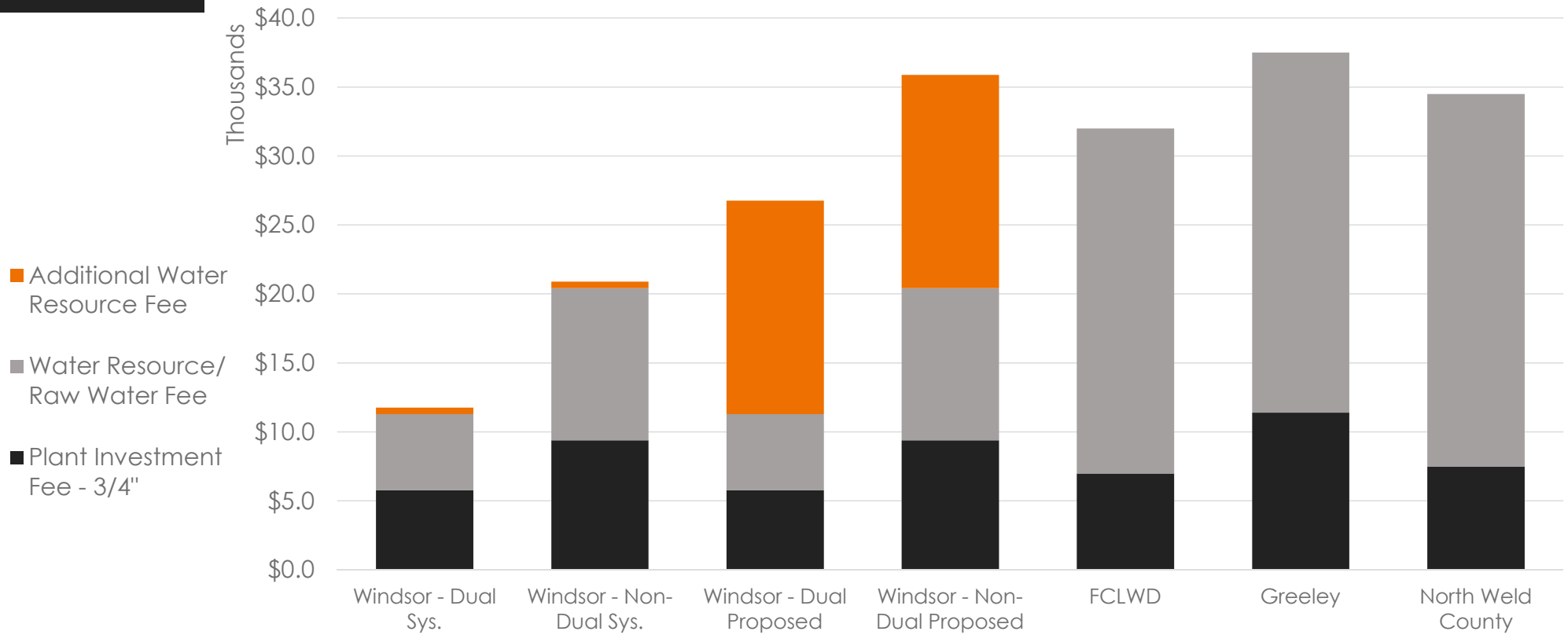
Scenario	Growth ¹	Annual Rate Increase ²	Additional Water Resource Fee ³	Cumulative Increase
1	100%	10.00%	\$15,000	104.7%
1a	75%	10.00%	\$21,550	104.7%

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³ Fee is phased in over 4 year period beginning in FY 2019

'All-In' Rates including Windsor and Current Water Providers



Note: North Weld County assumes a 100% tap or lot size over 14,500 sq ft.



 Questions?



FUTURE TOWN BOARD MEETINGS

April 16, 2018 6:00 p.m.	Town Board Work Session Water options for Windsor presentation
April 23, 2018 5:30 p.m.	Town Board Work Session Board dinner with incoming board members
April 23, 2018 7:00 p.m.	Town Board Meeting
May 7, 2018 6:00 p.m.	Town Board Work Session Retail study overview
May 14, 2018 5:30 p.m.	Board/Manager/Attorney Monthly Meeting Commemorating the 10 th Anniversary of the Windsor Tornado
May 14, 2018 7:00 p.m.	Town Board Meeting Kern Board Meeting
May 21, 2018 6:00 p.m.	Town Board Work Session Broadband Update
May 28, 2018 7:00 p.m.	Town Board Meeting - Cancelled Memorial Day – Offices Closed
June 4, 2018 6:00 p.m.	Town Board Work Session
June 11, 2018 5:30 p.m.	Board/Manager/Attorney Monthly Meeting
June 11, 2018 7:00 p.m.	Town Board Meeting
June 18, 2018 6:00 p.m.	Town Board Work Session
June 25, 2018 6:00 p.m.	Town Board Work Session
June 25, 2018 7:00 p.m.	Town Board Meeting

Additional Events

May 22, 2018	Public Safety Fair & Awareness Day – Boardwalk Park
May 24, 2018	CML Spring Outreach Meeting – Windsor
May 24-25, 2018	Strategic Planning

June 19-22, 2018

CML Annual Conference - Vail

Future Work Session Topics

- Code Update meeting with Planning Commission (next code section in series) - Planning
- CDOT/Johnny Olson presentation
- Car Dealerships in CAC (Mr. Downing)
- Park Impact Fees – round 2
- Brush site options