



**TOWN BOARD
SPECIAL MEETING**

**November 19, 2018 // 5:30 p.m. // First floor conference room
301 Walnut Street, Windsor, CO 80550**

MINUTES

A. CALL TO ORDER

Mayor Melendez called the meeting to order at 5:33 p.m.

1. Roll Call

Mayor	Kristie Melendez
Mayor Pro Tem	Ken Bennett
Absent-	Myles Baker
	Barry Wilson
	Paul Rennemeyer
	Thomas Jones
	David Sislowski

Also Present:

Town Manager	Shane Hale
Town Attorney	Ian McCargar
Director of Engineering	Dennis Wagner
Director of Finance	Dean Moyer
Water Resource Manager	John Thornhill
Customer Service Supervisor	Jessica Scheopner
Town Clerk	Krystal Eucker

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

Town Board Member Sislowski moved approve the agenda as presented, Town Board Member Wilson seconded the motion. Roll call on the vote resulted as follows: Yeas – Wilson, Bennett, Rennemeyer, Jones, Sislowski, Melendez; Nays-None; Motion passed

B. BOARD ACTION

1. Presentation and Discussion of Water Acquisition

- Staff presentation: John Thornhill, Water Resources Manager

Mr. Thornhill provided an overview of where Windsor receives their water and how the water is treated. Windsor receives 212 million gallons of water from the City of Greeley, 110 million gallons from the Fort Collins Loveland Water District and 400 million gallons from North Weld County Water District.

On a typical winter day Windsor provides about 1.3 million gallons of water to its customers. On a hot summer day that amount jumps to as much as 4.0 million gallons.

On average, a household in Windsor uses 0.25 ac-ft (81,500 gallons) per year inside the home. Irrigation adds another 0.25 ac-ft to the annual water usage. Windsor's projected potable water demand at build-out of its Growth Management Area is 12,500 ac-ft. With typical water losses at the treatment plant and transmission lines, the total raw water requirement will be 15,800 ac-ft. Water rights currently owned by the town yield 4,000 ac-ft in a normal year.

Much of the land in Windsor's Growth Management Area is or was used for irrigated agriculture and as it urbanizes the historical agriculture water rights can continue to be used to irrigate lawns, trees and shrubs. The town has an ordinance that requires a secondary non-potable water system within those new developments. For approximately the past 20 years most new residential developments in Windsor have included a non-potable water system. This has made significant difference in potable water demand. The non-potable system is typically owned and operated by either a Metropolitan District or Homeowners Association.

Most of the potable water coming out of Windsor faucets starts as raw water on the other side of the continental divide in the Upper Colorado River Basin. It is collected and conveyed through an elaborate system of reservoirs, trans-mountain tunnel, canals and pipelines that were built under the name Colorado Big Thompson (CBT) Project.

There are 310,000 acre-foot units in the CBT system. Windsor currently owns 3,859 acre-foot units. Windsor also owns 489.75 shares in the North Poudre Irrigation Company and as a result has rights to an additional 1,959 units of CBT water through that company.

The price in 2018 is currently around \$36,000/unit. In Windsor, the cash in lieu price for a single family home with a non-potable water supply for irrigation is \$6,877. For a home without a non-potable supply, the cost is \$13,754. Windsor's policy for raw water dedication states that 50% of the homes supply has to be raw water, while the remaining 50% dedication can be cash-in-lieu. Windsor currently only accepts C-BT and NPIC water for dedication.

In 2009, the Town of Windsor worked with Clearview Solutions on a Water Master Plan. Key components from that Water Master Plan include:

- Concern with "on-dimensional" water supply
- Focused plan for water acquisition
- Review water dedication policy
- NISP participation level
- Alternatives to funding for NISP
- Identify target water portfolio

The goal of the Plan is to provide the Town's decision makers with the information needed to make sound decisions associated with its water portfolio to best position the Town for its future.

The Town of Windsor's current treatable water supply includes:

- Colorado Big Thompson – 3,859 Units
 - Average Yield = 2,701 AF
 - Firm Yield = 1,930 AF
 - Planning Yield = 2,315 AF

- North Poudre Irrigation Company – 489.75 Shares (1,959 CBT Units)
 - Average Yield = 1,371 AF
 - Firm Yield = 980 AF
 - Planning Yield = 1,175 AF

Windsor’s Comprehensive Plan projects 102,000 residents at build out which would put Windsor’s water demand at 12,543 AF. Future potable demand number does not include the 26% shrinkage rate (system losses = 9% and/or surcharge = 17%) from water treatment providers. The water supply at the plant which includes the 26% shrinkage rate would be 15,803 AF.

In 2009 the water supply was 2,911 AF; assuming participation in NISP would generate 3,300 AF and with the anticipation of CBT acquisition of 861 AF would leave a gap of 8,731 AF remaining.

Recommendations for filling the water supply gap include continuing to acquire as much CBT units as possible and/or North Poudre Water, evaluate Water Supply and Storage Company and the explore the Windy Gap Project.

2. Executive Session. An executive session pursuant to Colorado Revised Statutes § 24-6-402 (4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to water resources. (John Thornhill, Shane Hale)
Town Board Member Rennemeyer moved to go into executive session pursuant to Colorado Revised Statutes § 24-6-402 (4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to water resources; Town Board Member Bennett seconded the motion. Roll call on the vote resulted as follows: Yeas – Wilson, Bennett, Rennemeyer, Jones, Sislowski, Melendez; Nays- None; Motion passed

Upon a motion duly made, the Town Board returned to the Special Meeting at 7:58 p.m.

The Executive Session was closed and the Town Board returned to the Special Meeting.

Upon returning to the Special Meeting, Mayor Melendez advised that if any participants in the Executive Session believed the session contained any substantial discussion of any matters not included in the motion to convene the Executive Session, or believed any improper action occurred during the Session in violation of the Open Meetings Law; such concerns should now be stated. Hearing none, the Special Meeting resumed at 7:58 p.m.

3. Water Rates Presentation
 - Staff presentation: Dean Moyer, Director of Finance

Mr. Moyer informed the Board that historically the annual water rate increases have been passed along to the water users by a weighted average; the increase for 2019 will be

3.29%. A resolution is normally passed in December of each year to become effective in the next year.

Currently, the Town of Windsor requires a 50% raw water share dedication and a 50% cash in lieu of the current market conditions. It is being recommended that Windsor continues with the current method until a record of decision that the NISP project is going to happen then after the record of decision, switch to 100% cash in lieu. Windsor will be providing shares of NISP instead of purchasing CBT shares of water on the open market.

Stantec Consulting has been hired to assist the Town of Windsor to form a plan to pay for the costs of NISP. An initial report completed in April of 2018 resulted in a recommended 10% annual increase in monthly user fees and an additional water resource fee on the building permit of \$15,000.

Since the report in April of 2018, updated internal billing has been received as well as economic development information. The Engineering Department, Customer Service, Communications and Finance have met several times to discuss options. It has been discovered that a new revenue stream and/or an increase in an existing revenue stream is needed to fund NISP. The cost of NISP could be borne by new development, monthly users or a combination of both. If the cost is borne entirely on new construction, new raw water fee would go to \$26,000 for a new single family residence and the raw water share dedication would be eliminated or with a 75%/25% Developer /Rate payer split equal to \$15,000 cash in lieu plus 10.5% annual rate increase in addition to annual rate increases from suppliers.

Stantec Consulting provided a brief presentation of three scenarios for a water finance plan. Stantec gathered feedback from the Board will bring back scenarios of the finance plan with more detail at a future work session.

C. ADJOURN

Upon a motion duly made, the meeting was adjourned at 9:04 p.m.



Krystal Eucker, Town Clerk