



**WATER AND SEWER BOARD SPECIAL MEETING**  
**February 13, 2019 – 6:30 a.m.**  
**2<sup>nd</sup> Floor Conference Room - 301 Walnut Street**  
**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 2<sup>nd</sup> day prior to the meeting to make arrangements.

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**AGENDA**

**A. CALL TO ORDER**

1. Roll Call
2. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board
3. Public Invited to be Heard

**B. CONSENT CALENDAR**

**C. BOARD ACTION**

1. Approval of the January 23, 2019 Minutes

**D. PRESENTATIONS AND DISCUSSION**

1. Colorado River Matters – Northern Colorado Water Conservancy District
2. Planning for Windsor Citizens' water education
  - a. Colorado Landscape Boot Camp
  - b. Windsor Tree Symposium
  - c. HOAs & Metro districts

**E. COMMUNICATIONS**

1. Staff
  - a. Cash in Lieu Update
  - b. Water Rates Resolution
  - c. Windsor Drought Management Plan
2. Board
  - a. MS4 Training – March 13
  - b. Sewer & Wastewater presentation - TBD
  - c. Tour of Windsor Wastewater Treatment plant - April 10

**F. ADJOURN**



**WATER AND SEWER BOARD SPECIAL MEETING**  
**January 23, 2019 – 6:15 a.m.**  
**2<sup>nd</sup> Floor Conference Room – 301 Walnut Street**  
**Windsor, CO 80550**

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**MINUTES**

**A. CALL TO ORDER**

Board Chairperson Bielawski called the meeting to order at 6:18 a.m.

- |                     |                    |                  |
|---------------------|--------------------|------------------|
| 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

2. 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
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 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**

1. 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**

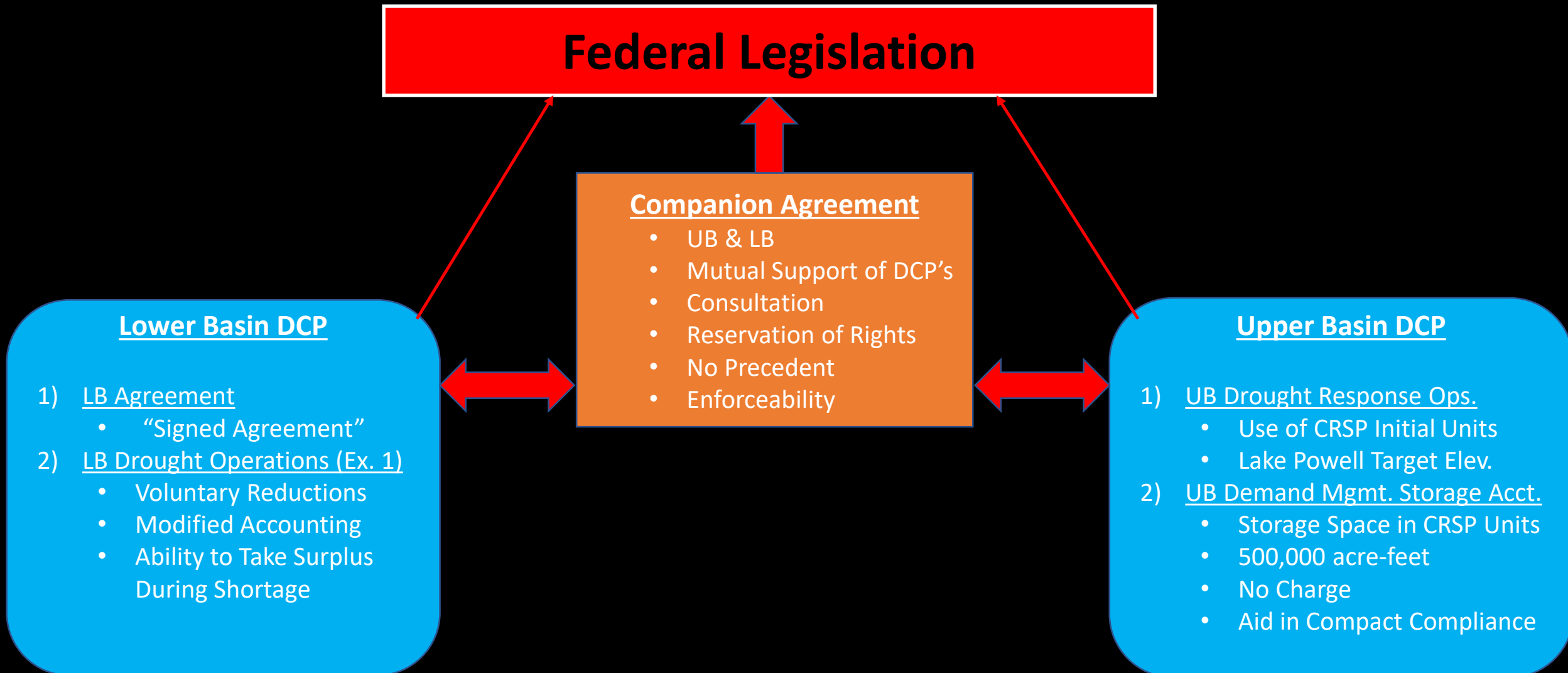
**Board Vice-Chairperson Medina moved to adjourn the meeting at 7:44 am; Board Member Geiger seconded the motion. Motion carried unanimously.**

Submitted by:

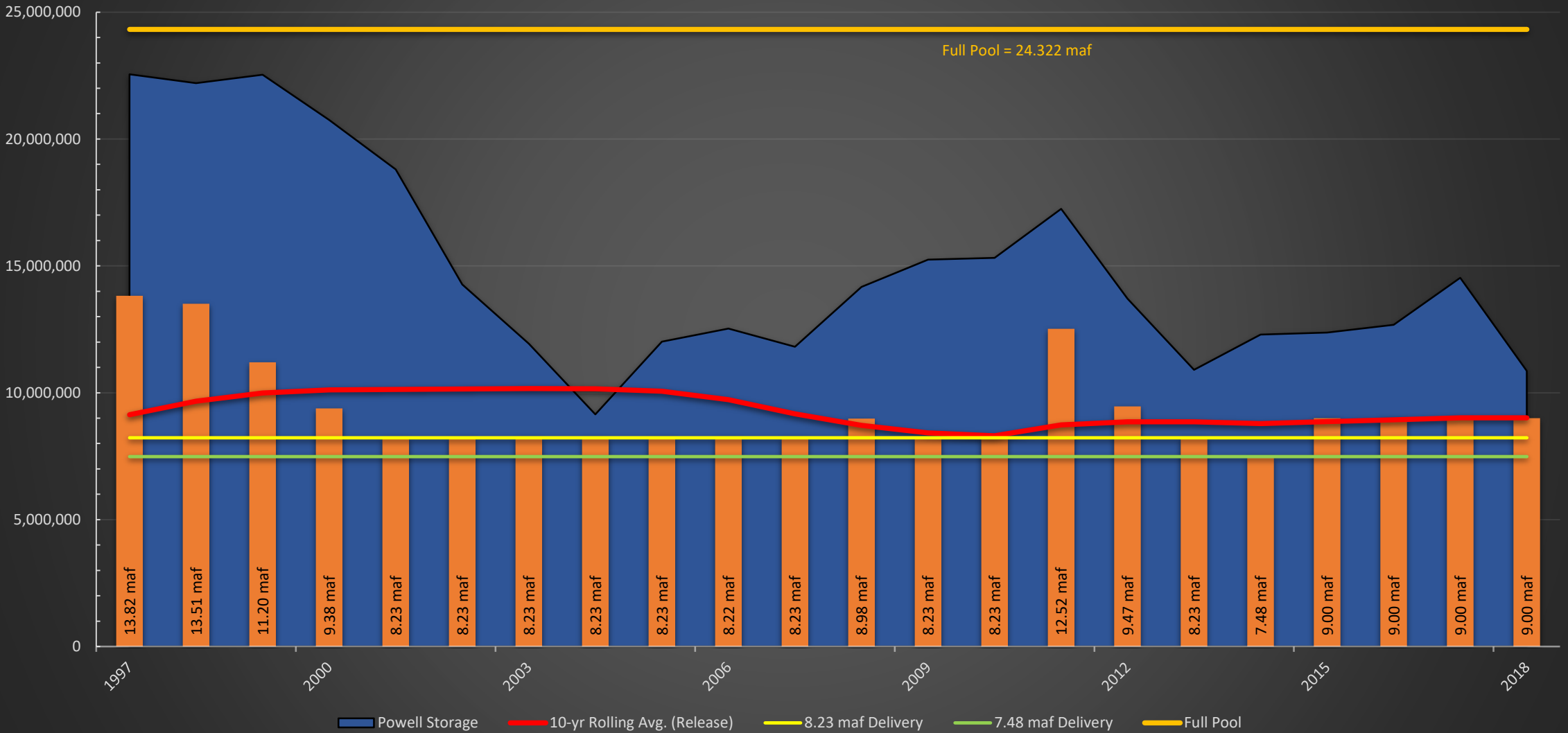
A handwritten signature in blue ink, appearing to read "Erin Porter". The signature is written in a cursive style with a long horizontal stroke at the end.

Erin Porter, Utility Billing Administrative Specialist

# Drought Contingency Plans (DCP) Documents/Relationships



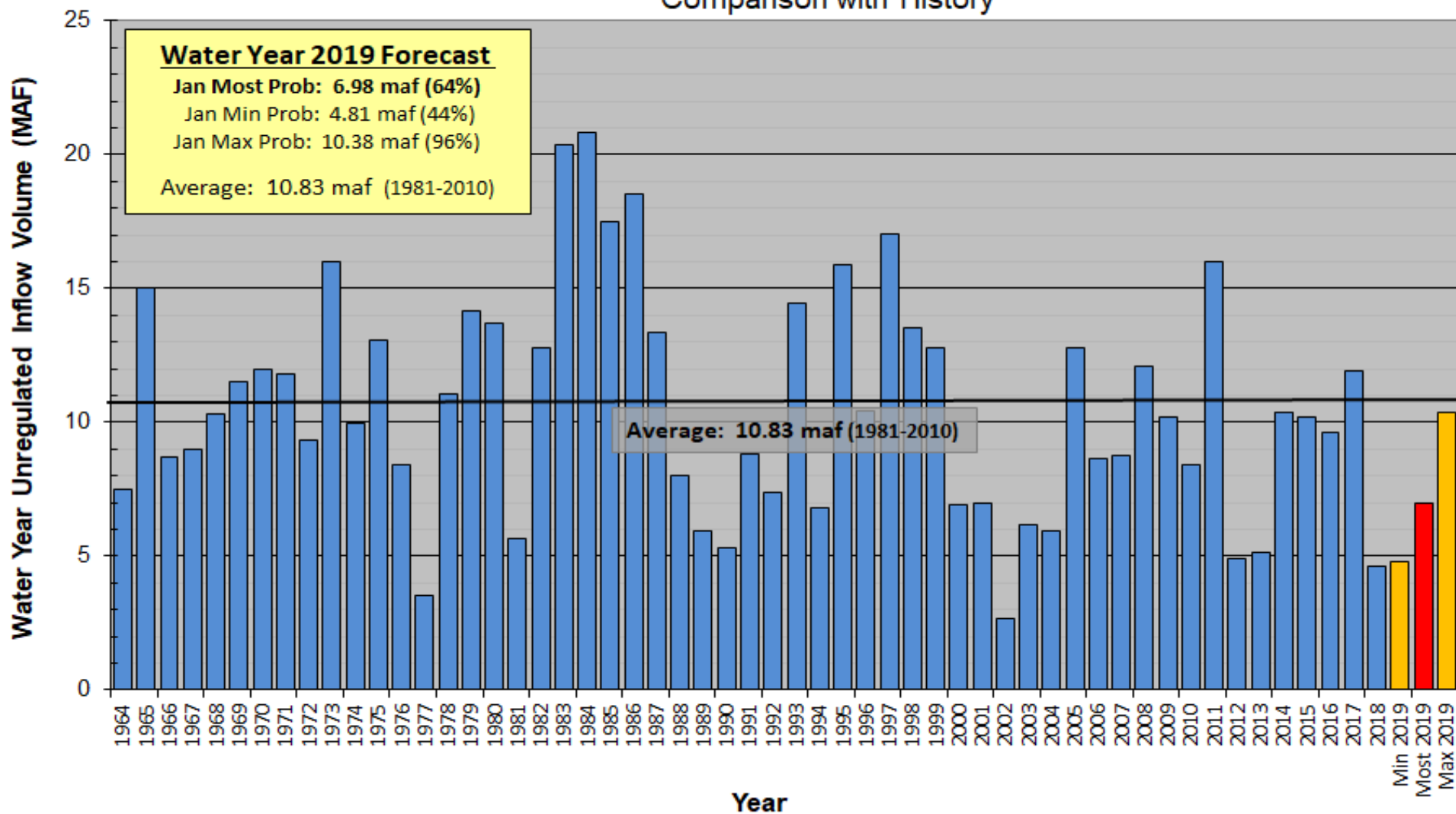
# Lake Powell Operations



# Lake Powell Unregulated Inflow

## Water Year 2019 Forecast *(issued January 1)*

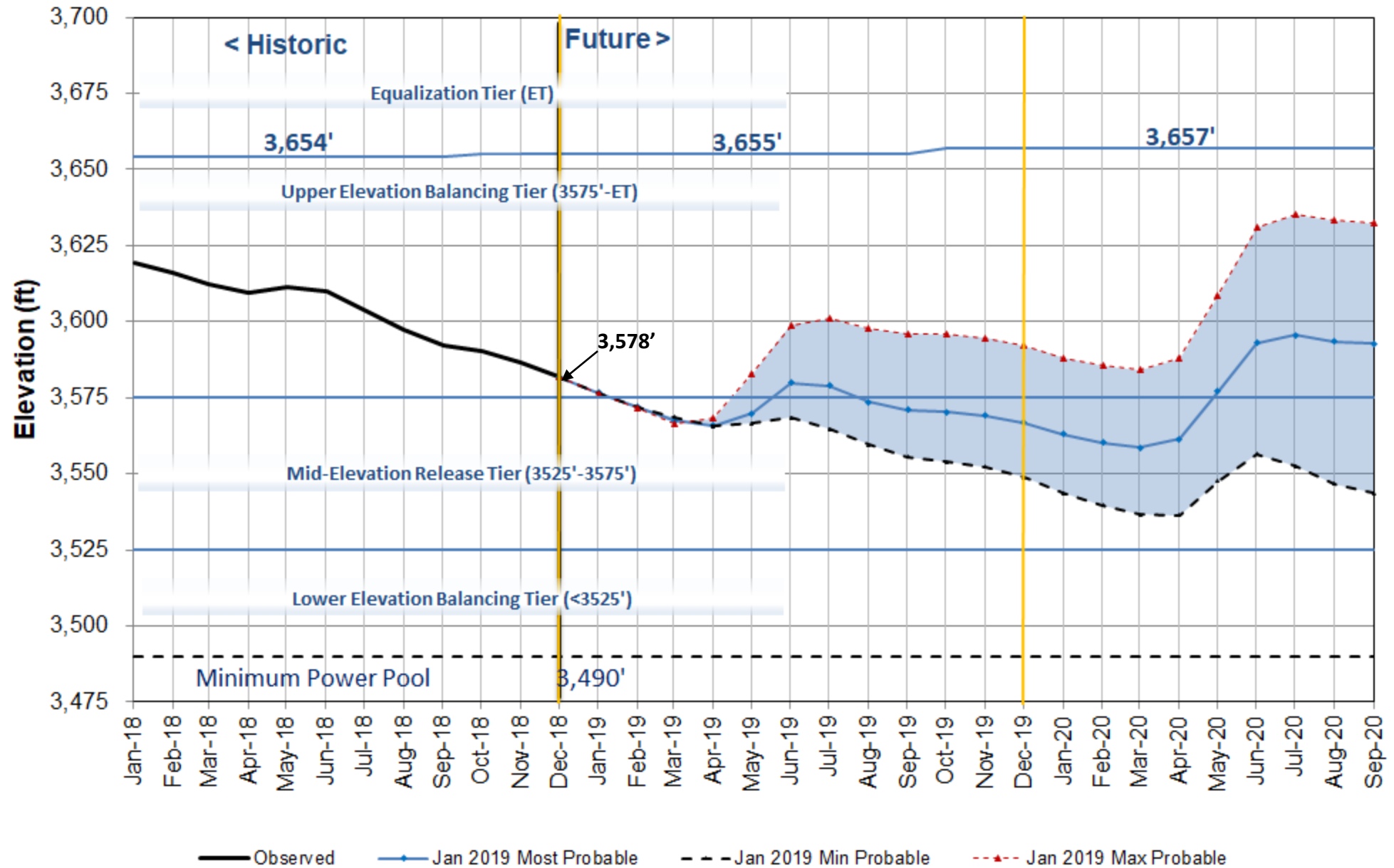
### Comparison with History





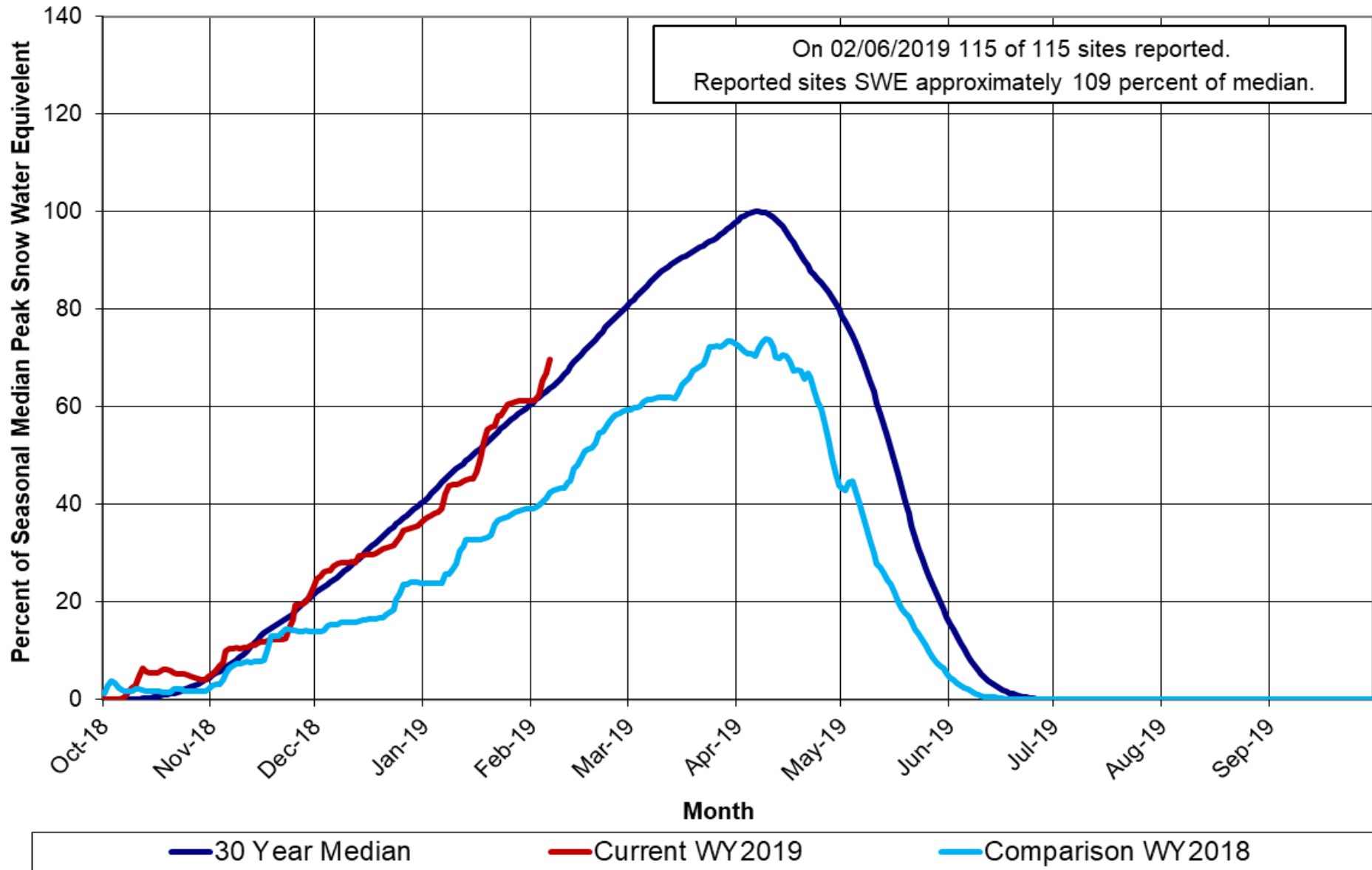
# Lake Powell End of Month Elevations

## Historic and Projected based on January 2019 Modeling



# Upper Colorado River above Lake Powell Snotel Tracking

Aggregate of 115 Snotel Sites above Lake Powell



## Event Details



### Windsor Tree Symposium

**Saturday, February 23, 2019**

Meet our Windsor Tree Board at the Windsor Tree Symposium!

Homeowners can learn which tree species thrive in Windsor and new species to try. You also learn how to properly plant and maintain trees.

\$5/person, includes light breakfast and door prizes. Registration begins at 8:30am the day-of. 9am-9:15am: How the Windsor Tree Board can help you (Wendy Ball) 9:15am-10am: Tree Selection: Plant This, Not That (Dr. Jim Klett) 10:15am-11am: Tree Planting 101 (Dr. Alison O'Connor) 11:15am-12pm: Best Practices for Tree Maintenance (Ken Kawamura) Speakers and members of the Tree Board will be on hand after the symposium to answer questions from attendees. Dr. Jim Klett is an Extension specialist and professor in the Department of Horticulture and Landscape Architecture at Colorado State University. Dr. Alison O'Connor is the horticulture agent for CSU Extension in Larimer County and currently serves as chair of the Tree Board. Ken Kawamura is the forester for the Town

**Date:** February 23, 2019

**Time:** 9:00 AM - 12:00 PM

**Address:** 250 N. 11th St  
Windsor, CO 80550

**Cost:** \$5/person, includes light breakfast and door prizes



## MEMORANDUM

**Date:** January 31, 2019  
**To:** Shane Hale, Town Manager  
**From:** John Thornhill, Water Resources Manager  
**Re:** Raw Water Cash-in-lieu of Dedication

### Background / Discussion

Section 13-2-80 in the Windsor Municipal Code, states that all premises requesting original water service from the Town shall furnish water rights without cost to the Town. That section also states that such water rights shall be transferred to the Town in accordance with the applicable subdivision or site development improvements agreement and, in the case of cash paid in lieu of required raw water dedication, at the time that the request for building permit approval is presented to the Town.

Windsor sets cash-in-lieu based on the current price of acquiring Colorado Big Thompson (CBT) water units. CBT water is unique in having a long-established and transparent water market and is currently the only treatable water supply Windsor uses for potable water deliveries making it the ideal source for setting a market based cash-in-lieu fee.

The current cash-in-lieu rate is \$47,500 per acre-feet and is based on a CBT unit price of \$33,200 ( $\$47,500 = \$33,200 \div 0.7$ ). That rate was established November 1<sup>st</sup>, 2018.

### Financial Impact

Since the CBT market is rapidly changing, it is imperative to keep up to date with recent financial transactions and not enter into a situation where we are receiving too little cash-in-lieu and putting the town in to a financial deficit when purchasing water on the open market.

### Relationship to Strategic Plan

Thoughtful Framework and Supportive Infrastructure

### Recommendation

Staff recommends updating the cash-in-lieu on a quarterly basis after reviewing the most recent transactions in the market. If CBT prices start escalating rapidly, CIL will be set on a monthly basis. The Town reserves the right to make adjustments to pricing anytime. Sales data will be provided by Front Range Land and Water Consulting, LLC and staff review of the Northern Water Board list of CBT transfers/transactions which are presented on a monthly basis.

The following table illustrates the most recent CBT transactions.

Month	Buyer	Seller	Units Purchased	Price per Unit	Total Cost
Oct-18	Town of Berthoud	Irrigator	4	\$ 30,000.00	\$ 120,000.00
Oct-18	Developer	Industrial User	60	\$ 34,000.00	\$ 2,040,000.00
Oct-18	Developer	Industrial User	92	\$ 34,000.00	\$ 3,128,000.00
Nov-18	North Weld County Water District	Irrigator	2	\$ 30,100.00	\$ 60,200.00
Nov-18	Developer	Irrigator	1	\$ 34,000.00	\$ 34,000.00
Nov-18	Developer	Irrigator	1	\$ 34,000.00	\$ 34,000.00
Nov-18	Town of Berthoud	Irrigator	10	\$ 35,000.00	\$ 350,000.00
Nov-18	Town of Berthoud	Irrigator	5	\$ 35,000.00	\$ 175,000.00
Nov-18	Developer	Irrigator	5	\$ 35,000.00	\$ 175,000.00
Nov-18	Developer	Irrigator	5	\$ 34,000.00	\$ 170,000.00
Nov-18	Developer	Irrigator	5	\$ 35,000.00	\$ 175,000.00
Dec-18	Developer	Developer	20	\$ 35,000.00	\$ 700,000.00
Dec-18	Town of Windsor	Irrigator	1	\$ 32,500.00	\$ 32,500.00
Dec-18	Central Weld County Water District	Irrigator	16	\$ 32,500.00	\$ 520,000.00
Dec-18	Developer	Irrigator	63	\$ 36,112.00	\$ 2,275,056.00
			290		\$ 9,988,756.00

Cost/Unit \$ 34,500.00

Cost/AF @ .70 AF/unit \$ 49,300.00

Starting February 15th, cash-in-lieu will increase to \$34,500 per CBT unit which equates to \$49,300 per acre-foot based on the most recent quarterly sales data. Staff will notify developers via email and the Town website of the current cash-in-lieu fee. All building permit applications submitted after February 15th will be required to pay the new cash-in-lieu.

The Town of Windsor limits cash-in-lieu to no more than 50% of the total raw water requirement. In other words, a single-family home with a non-potable water system for irrigation must dedicate at least 0.145 acre-feet and then pay cash-in-lieu for the remaining 0.145 acre-feet. The table below illustrates existing versus proposed cash-in-lieu costs for single family homes if the developer chooses to dedicate only 50% of the raw water. Developers always have the option of dedicating 100% of the raw water requirement and not paying any cash-in-lieu.

DEDICATION REQUIREMENT FOR:	EXISTING CASH-IN-LIEU	PROPOSED CASH-IN-LIEU
SINGLE-FAMILY HOME W/ NON-POTABLE WATER SUPPLY FOR IRRIGATION (0.145 AF)	\$6,877	\$7,146
SINGLE-FAMILY HOME W/O NON-POTABLE WATER SUPPLY FOR IRRIGATION (0.29 AF)	\$13,754	\$14,293

TOWN OF WINDSOR

RESOLUTION NO. 2019-09

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-governance 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 January 7, 2019, the Town Board was presented a proposed water rate structure developed by Town staff; and

WHEREAS, the aforementioned water rate structure states that:

- forty five percent (45%) 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 forty five percent (45%) of the Town's annual water usage;

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 2019 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 prudent provision 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 March 1, 2019, all users shall be subject to the rates set forth in the attached schedule, incorporated herein by this reference.

2. 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.
3. The rate structure set forth in the table appearing below is incorporated herein by this reference.
4. 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 28<sup>th</sup> day of January, 2019.

TOWN OF WINDSOR, COLORADO

By Kristie Melendez  
Kristie Melendez, Mayor

ATTEST:

Krystal Eucker  
Krystal Eucker, Town Clerk



2019 Proposed Water Rates							
Customer Category	Monthly Base Fee	1 <sup>st</sup> 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	\$16.22	\$4.45	\$6.64	\$9.89	16,000	16,001-22,500	>22,500
¾" Residential with Operative Dual System	\$16.22	\$4.45	\$6.64	-	9,700	-	-
1" Residential with Operative Dual System	\$26.20	\$4.45	\$6.64	-	9,700	-	-
1.5" Residential with Operative Dual System	\$53.66	\$4.45	\$6.64	-	9,700	-	-
¾" Multi-family Residential	\$10.48	\$4.45	\$6.64	-	15,700	-	-
¾" Commercial-Industrial-School	\$16.22	\$4.45	\$6.64	-	157,000	-	-
1" Commercial-Industrial-School	\$26.20	\$4.45	\$6.64	-	157,000	-	-
1.5" Commercial-Industrial-School	\$53.66	\$4.45	\$6.64	-	157,000	-	-
2" Commercial	\$84.85	\$4.45	\$6.64	-	493,000	-	-
2" Industrial	\$84.85	\$4.45	\$6.64	-	783,000	-	-
2" School	\$84.85	\$4.45	\$6.64	-	157,000	-	-
3" School	\$159.73	\$4.45	\$6.64	-	306,700	-	-
4" Industrial	\$266.36	\$4.45	\$6.64	-	2,461,000	-	-